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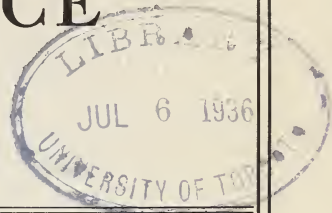






Canada. Trade and Commerce, Sept. 12

# COMMERCIAL INTELLIGENCE JOURNAL



Vol. LV

Ottawa, July 4, 1936

No. 1692



Discharging Grain by Floating Elevator from Steamer's Hold  
Direct to Shed at Cardiff, Wales

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JAMES G. PARMELEE, DEPUTY MINISTER

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## TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour: Mr. V. E. Duclos, Hongkong (whose territory includes South China, the Philippines, and Indo-China); Mr. L. M. Cosgrave, Melbourne, Australia; and Mr. M. B. Palmer, Mexico City (whose territory includes Guatemala, Honduras, and Salvador). Following are their itineraries as at present arranged:—

### Mr. Duclos

Montreal and district (including Granby, Drummondville and St. Johns) July 6 to 11  
Brockville . . . . . July 13  
Gananoque . . . . . July 13  
Belleville, Picton . . . . July 14  
Port Hope . . . . . July 15  
Oshawa . . . . . July 15

Toronto and district (incl. Huntsville, Orangeville, Mimico, Oakville, Orillia, Newmarket, Peterborough, New Toronto, Weston and Copper Cliff) . . . . . July 16 to 31

### Mr. Cosgrave

Montreal, Valleyfield, Granby, St. Hyacinthe. July 6 to 15  
Sackville . . . . . July 16  
St. John . . . . . July 17  
Halifax . . . . . July 20 and 21  
Montreal . . . . . July 23 and 24

Ottawa, Renfrew, Pembroke, Carleton Place, Cornwall . . . . . July 27 to 29  
Brockville, Morrisburg . . July 30  
Oshawa . . . . . July 31

### Mr. Palmer

Preston, Galt . . . . . July 6 and 7  
Hamilton . . . . . July 8 and 9  
St. Catharines, Welland. July 10  
Brantford . . . . . July 13  
Woodstock, Ingersoll. . . July 14

London . . . . . July 15 and 16  
Watford . . . . . July 17  
Walkerville . . . . . July 20  
Winnipeg . . . . . July 23 and 24

### Mr. Bower

Mr. R. P. Bower, who has been Acting Trade Commissioner in charge of the Middle East branch office at Batavia, Java, during the past two years, will undertake a tour of the Dominion in the interest of Canadian trade with Netherlands India. The first part of his itinerary is as follows:—

Bridgetown and Kentville July 6  
Halifax and Liverpool . . July 7

Prince Edward Island . . July 8 to 11

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto and Winnipeg, with the office of the Canadian Manufacturers Association; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## TRADE OF SOUTH AFRICA IN 1935

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

### I

(Figures in parentheses pertain to 1934; tons are short tons of 2,000 pounds each)

Cape Town, May 28, 1936.—The total trade of the Union of South Africa for 1935 amounted to £149,015,209 as compared with £126,898,180 in 1934, and the returns for the first months of 1936 continue to show still further improvement, creating speculation as to just when the peak of prosperity in this country will be reached. Imports, exclusive of goods in transit, were valued at £75,325,920 and exports at £73,689,289, as against £66,304,439 and £60,593,741 respectively in 1934. The Union Bureau of Statistics has not included the gold premium in the exports.

Canada's share of the imports in 1935 was valued at £2,436,737 or 3·4 per cent of the Union's total imports, as compared with £2,492,282 or 3·9 per cent in 1934.

The large percentage increase in imports from Canada which took place in 1934, as compared with 1933, was not maintained. The Dominion dropped from fourth to fifth place as a source of supply, Japan having moved up to fourth place.

Exports from the Union to Canada showed a slight increase, being valued at £767,031 as compared with £754,464 in 1934. This represents 2·9 per cent of the total exports, gold excepted, as compared with 3·4 per cent in 1934. In other words, while the exports to Canada increased in value, they showed a percentage decline when compared with the total exports.

### IMPORTS AND EXPORTS

In the following table the value of imports and exports is shown with overseas countries, neighbouring states and government purchases, with the gold premium added to the exports:—

Merchandise—	Imports		Exports	
	1934	1935	1934	1935
Overseas . . . . .	£62,758,528	£70,627,405	£55,928,532	£70,718,798
Other states in British South Africa . . . . .	1,126,778	991,081	4,459,694	2,800,530
Government stores . . . . .	2,366,556	3,670,953	.....	.....
Specie . . . . .	52,577	36,481	169,602	169,961
Total . . . . .	£66,304,439	£75,325,920	*£60,557,828	£73,689,289
Gold premium . . . . .	.....	.....	21,235,048	28,624,530
			£81,792,876	£102,313,819

\* Exclusive of ships' stores taken by South African vessels.

### BALANCE OF TRADE

South Africa had a favourable balance of trade during 1935—that is, an excess of visible imports over visible exports—of £1,636,631 as compared with £5,710,698 in 1934. The above figures, due to the gold premium not having been taken into consideration, do not reflect the true position. Furthermore, in order to reflect the true indebtedness of the Union, the total cost of the Union's imports—that is such items as freight and insurance—should be added to the f.o.b. prices paid by the importers.

The following table gives a more accurate idea of the position of the Union of South Africa:—

1935	
Total c.i.f. and c. cost of imports, excluding parcel post imports from countries overseas. . . .	£77,626,171
Value imports per parcel post . .	1,815,990
Value of imports (f.o.b.) from Southwest Africa, Southern Rhodesia, and Northern Rhodesia. . . . .	1,004,994
Value of specie . . . . .	36,481
Total visible imports. . . . .	£80,483,636
Balance in favour of the Union	£21,830,183

1935	
Grand total value exports (including ships' stores) . . . . .	£73,689,289
Gold premium. . . . .	28,624,530
Total visible exports. . . . .	£102,313,819

1934	
Total c.i.f. and c. cost of imports, excluding parcel post imports from countries overseas. . . .	£68,161,000
Value imports per parcel post . .	1,746,325
Value of imports (f.o.b. from Southwest Africa, Southern Rhodesia, and Northern Rhodesia. . . . .	1,179,202
Value of specie . . . . .	52,577
Total visible imports. . . . .	£71,139,104
Balance in favour of the Union	£10,689,685

1934	
Grand total value exports (including ships' stores) . . . . .	£60,593,741
Gold premium. . . . .	21,235,048
Total visible exports . . . . .	£81,828,789

Canada had a favourable trade balance with the Union of South Africa in 1929 to the extent of £2,561,349. This fell to a fraction during the years of depression. In 1934 a substantial recovery was made, Canada's trade balance with the Union amounting to £1,810,624, and in 1935 this was further improved, with a trade balance of £1,873,794.

## Exports

### EXPORTS BY COMMODITIES

The total value of South African produce exported overseas in 1935, exclusive of specie and gold premium, amounted to £69,348,298 as compared with £56,615,895 in 1934, or an increase of £12,732,403. The increase in exports in 1935 over 1934 was slightly greater than the decrease in exports shown in 1934 from 1933. The principal articles exported were as follows:—

	1934		1935	
	Quantity	Value	Quantity	Value
Gold, including premium . . . . . fine ozs.	8,137,555	£55,801,185	10,062,095	£71,365,594
Wool. . . . . lbs	189,806,651	8,083,665	259,791,037	9,515,832
Foodstuffs . . . . .		5,822,384		7,804,966
Diamonds . . . . . met. carats	1,246,999	2,819,031	2,455,504	2,975,525
Hides and skins—ox, cow, goat and sheep. lbs.	63,704,012	1,384,055	64,818,645	1,422,318
Wattle bark and extract . . . . . lbs.	198,911,876	555,560	263,698,336	767,632
Coal . . . . . cargo tons	1,034,500	451,333	1,271,136	560,901
Angora hair . . . . . lbs.	6,477,842	177,707	10,628,782	361,486
Copper . . . . . bar cental	156,770	289,755	188,436	340,323
Asbestos, raw . . . . . lbs.	34,865,655	255,611	47,428,379	307,182
Potable spirits . . . . .		213,142		257,432
Foodstuffs for animals . . . . . lbs.	67,751,989	121,587	135,087,184	202,260
Platinum . . . . . ozs.	22,014	134,346	32,934	189,400
Chrome ore . . . . . tons	51,194	122,243	66,621	168,980
Tin ore and concentrates . . . . . tons	846	125,743	1,072	112,807
Manganese ore. . . . . tons	73,000	76,772	89,849	109,531
Cotton, raw. . . . . lbs.	1,036,435	27,874	1,182,240	28,871

### GOLD

Gold production in 1935 amounted to 10,773,991 fine ounces, which is a slight increase over 1934. The approximate currency value of last year's production, including the gold premium, was £76,236,000. This amount was more than sufficient to pay for South Africa's total imports.

Exports of gold bullion amounted to 10,062,095 fine ounces compared with 8,137,555 fine ounces in 1934, a substantial increase. The value of the 1935 gold exports, including the gold premium, amounted to £71,365,594 as compared with £55,801,185 in 1934. Exports of gold bullion in 1935 were both higher in quantity and value as compared with the previous year, because in 1934 a large proportion of the country's gold production was kept in the country by the South African Reserve Bank. The selling price of gold, in terms of South African currency, continued to rise during the year from the average price of £6·85724 per fine ounce in 1934 to £7·09252 in 1935.

#### WOOL

Wool is the premier agricultural commodity of the Union. The production of wool and its world price has a considerable bearing on the prosperity of a large section of the agricultural community. Shipments during 1935 amounted to 259,791,037 pounds, an increase of 69,984,386 pounds compared with shipments during 1934. Unfortunately, while prices to-day are considered satisfactory, the average price last year, 8·5d. per pound for grease wool and 16·5d. per pound for scoured wool, was lower than in 1934. Of the total grease wool exported, shipments to the United Kingdom amounted to 55,225,092 pounds valued at £2,029,589, as compared with 40,182,214 pounds valued at £1,739,161 in 1934. Shipments to Continental countries direct totalled 187,886,680 pounds valued at £6,546,191, as compared with 139,681,561 pounds valued at £5,599,821 in 1934. Exports to North America showed a large increase in 1935—1,624,361 pounds valued at £78,441, as compared with 162,154 pounds valued at £9,701. Exports to the Far East (chiefly Japan) also increased, amounting to 5,185,904 pounds valued at £217,208, as compared with 4,104,572 pounds valued at £237,077. Of the shipments to Continental countries, Germany was the chief customer, with imports under the barter agreement of grease wool valued at £3,009,356 (£1,579,637) and of scoured wool valued at £209,506 (£150,432). Wool stocks at the end of 1935 were light and considerably less than in 1934, with the result that the outlook for 1936 is encouraging.

#### FOODSTUFFS

Exports of foodstuffs from South Africa in 1935 were valued at £8,062,398 as compared with £6,035,526 during 1934, including potable spirits.

The outstanding feature of the foodstuffs group was the substantial increase in the export of maize. The quantity of maize exported in 1935 was almost double that of 1934, but, owing to lower world prices, the increase in value only amounted to 52·5 per cent.

Butter and cheese, on a percentage basis, especially the latter, showed a large increase, both in value and in quantity, but if the Government continues to reduce and eventually abolish export subsidies, it is reasonable to assume that the export of these two commodities must decrease.

Of the more important foodstuffs listed below, only two showed a decline in value in 1935 from 1934, namely citrus fruits and dried fruits. In the case of citrus fruits, the decline in quantity is the first after a long series of annual increases. Not only was there a decline in quantity, but prices in the United Kingdom market were low, which adversely affected values. There was a decided shortage of dried fruit, especially raisins and apricots; prices on the whole, however, were better than in 1934. In 1934 there was a decline of 13·9 per cent in quantity, and in 1935 there was a further decline of 11·1 per cent. This has been due in one case to the increased price paid for wine-grapes by the wineries. In other words, it is more profitable to turn these grapes into wine than into raisins. If the decline continues during 1936 it is possible that many connections formed abroad for South African raisins will be impaired. One of

the first principles in building up a sound export trade is continuity of supply. A number of Canadian brokers have already complained of their inability to obtain South African dried fruit.

Exports of sugar, which in 1934 were considerably below the shipments of 1933, showed an increase of 76 per cent in both quantity and value in 1935 over 1934.

Wine and brandy exports continue to increase steadily in both quantity and value, year after year. To the increase of 9 per cent in value in 1934 over 1933, there was added an increase of 11.4 per cent in 1935. The export of wine and brandy, especially the latter commodity, is largely controlled by one strong co-operative company who are giving ever-increasing attention to the export of their various products.

The following table analyzes the more important foodstuffs items of the total appearing in the previous table, and shows the extent of the percentage increase or decrease in value as compared with 1934:—

	1934		1935		Inc. or Dec.	
	Quantity	Value	Quantity	Value	Value %	
Butter... ..lbs.	2,852,981	£ 170,928	8,874,183	£ 492,771	+ 188.3	
Maize... ..lbs.	500,513,877	1,021,189	999,351,718	1,557,732	+ 52.5	
Maize meal... ..lbs.	191,095,009	362,661	286,226,381	433,428	+ 19.5	
Cheese... ..lbs.	339,096	16,732	2,647,978	106,562	+ 536.9	
Eggs in shell... ..number	37,152,584	139,606	43,828,976	166,248	+ 19.1	
Fish—						
Fresh and frozen... ..lbs.	1,661,747	44,207	2,108,519	58,101	+ 31.4	
Dried and cured... ..lbs.	1,914,720	32,255	2,443,195	39,125	+ 21.3	
Preserved (crayfish)... ..lbs.	2,698,816	159,594	2,591,583	171,667	+ 7.6	
Fruit—						
Citrus... ..number of boxes	2,520,849	1,258,494	2,421,981	1,186,337	— 5.7	
Deciduous... ..number of boxes	2,261,259	589,272	2,294,087	631,381	+ 7.1	
Grapes... ..number of boxes	1,474,989	425,560	1,615,316	465,787	+ 9.5	
Dried... ..lbs.	14,658,463	246,932	13,026,722	223,181	— 9.6	
Preserved... ..lbs.	6,137,097	82,364	5,983,096	90,574	+ 10.0	
Jams and jellies... ..lbs.	866,326	18,226	1,059,336	23,643	+ 29.7	
Meats, fresh... ..lbs.	5,894,492	50,341	14,519,943	163,989	+ 225.8	
Milk, condensed... ..lbs.	425,626	13,898	790,115	24,169	+ 74.1	
Nuts, edible... ..lbs.	268,631	4,728	180,871	3,484	— 26.3	
Pulse... ..lbs.	402,532	3,025	458,500	4,157	+ 37.4	
Sugar... ..lbs.	250,126,191	1,000,475	440,832,247	1,763,956	+ 76.3	
Molasses and treacle... ..lbs.	50,217,452	16,603	87,637,104	29,418	+ 77.2	
Grape syrup... ..lbs.	3,803,870	27,828	3,888,486	28,422	+ 2.1	
Wine and brandy... ..gals.	1,331,445	185,437	1,414,594	206,596	+ 11.4	

#### DIAMONDS

There was an appreciable increase in quantity in the export of rough and uncut stones from 1,203,515 metric carats in 1934 to 2,416,574 metric carats in 1935. The value advanced from £1,921,153 to £2,090,941. Exports of cut and polished stones declined both in quantity and in value, amounting last year to 38,930 metric carats valued at £884,584. It was anticipated that 1935 would be a much brighter year in the diamond industry, in not only rough and uncut but in the cut and polished stones. This anticipated improvement failed to materialize. It is significant, however, that one of the old mines reopened last year, so that 1936 should definitely see some improvement in the quantity and value exported of cut and polished stones.

#### HIDES AND SKINS

Hides and skins exported in 1935 showed a slight increase in both quantity and value over 1934, although ox and cow hides declined from 28,280,480 pounds valued at £487,675 to 24,349,880 pounds valued at £481,190. The prices realized were higher, having advanced from 4.1d. to 4.7d. per pound.

Sheep and goat skins both registered slight increases, exports of the former amounting to 34,708,626 pounds valued at £797,425, and the latter to 5,760,139

pounds valued at £143,703. The average price of sheep skins fell from 6·2d. to 5·5d. per pound, but the price of goat skins advanced from 5·4d. per pound to 6d. per pound.

The countries of destination of hides and skins are numerous. In the case of ox and cow hides, the United Kingdom was the chief purchaser in 1935, but both Italy and Germany took substantial quantities. Goat skins, apart from Angora, were shipped chiefly to the United States, with the United Kingdom, Germany, and France taking most of the remainder. In sheep skins the United States was the chief purchaser, followed by France and the United Kingdom.

#### MOHAIR

There was a decided recovery in the shipment of mohair during 1935, which totalled 10,628,782 pounds valued at £361,486 as compared with 6,477,842 pounds valued at £177,707 in 1934. The average price per pound rose from 6·6d. in 1934 to 6·95d. in 1935. The United Kingdom was almost the sole purchaser, taking nine-tenths of the total.

#### WATTLE BARK AND EXTRACT

There was a large increase in the quantity and value of wattle bark shipped overseas during 1935, the total amounting to 186,680,615 pounds valued at £380,102. The average price realized was £4 1s. 5d. per ton. Wattle bark extract shipments were also higher, total exports amounting to 77,017,721 pounds valued at £387,530. The average price realized during the year was £10 1s. 3d. per ton. The chief countries importing were the same as in previous years, namely, the United Kingdom, Holland, India, Germany, and the United States, for both the bark and the extract, although India took very little of the extract.

#### EXPORTS BY COUNTRIES

In the following table the relative position is shown of South Africa's chief customers and what they import:—

	1934		1935	
	£000	Per Cent	£000	Per Cent
United Kingdom . . . . .	9,500	43.1	11,364	42.7
Germany . . . . .	2,017	9.2	3,759	14.1
France . . . . .	2,320	10.4	2,769	10.5
Belgium . . . . .	2,062	9.4	1,966	7.4
Holland . . . . .	759	3.4	871	3.3
Canada . . . . .	754	3.4	767	2.9
Italy . . . . .	1,195	5.4	671	2.5
United States . . . . .	574	2.6	645	2.4
Japan . . . . .	341	1.5	428	1.6

The above countries took approximately 87·4 per cent of South Africa's produce exported in 1935 as compared with 88·4 per cent in 1934, exclusive of gold in both cases. The exports of gold go entirely to the United Kingdom.

The United Kingdom imported South African produce in 1935 to the value of £11,364,136 as compared with £9,500,555 in 1934, an increase of £1,863,581. The United Kingdom's share of the Union's export trade declined slightly to 42·7 per cent as compared with 43·1 per cent in 1934. Shipments to other parts of the British Empire also declined from 11 per cent to 9·8 per cent, although total exports for the year were valued at £2,611,015 as compared with £2,416,632 in 1934. Exports to foreign countries rose both in value and in percentage, with exports valued at £12,632,083 as compared with £10,120,647 in 1934.

The United Kingdom is still by far the principal market for the Union's foodstuffs, having taken in 1935 70 per cent, which, however, is 3·7 per cent less than in 1934, of the total consigned overseas.

Among the foreign countries, Germany is displacing France as the Union's chief customer. This is attributed to the large shipment of wool under the

barter agreement, mentioned previously. Other exports from the Union to Germany were: ox and cow hides, £138,297 (£53,040); chrome ore, £120,412 (£62,167); wattle bark, £56,642 (£53,363); wattle extract, £39,599 (£35,448).

Exports to France consisted of grease wool, £2,190,775 (£1,835,368); sheep skins, £256,893 (£209,069), and crayfish, £133,661 (£135,601).

Exports to Belgium declined both in total value and in percentage as compared with 1934. The main exports to Belgium consisted of diamonds cut and polished, £681,268 (£663,086); grease wool, £648,104 (£909,773); diamonds uncut, £351,338 (£305,183); maize, £130,031 (£58,515); scoured wool, £72,445 (£39,034).

Holland displaced Italy from fourth position in the list of foreign customers—in fact Holland also displaced Canada, and now ranks fifth on the list. Some of the main commodities taken were: maize, £238,088 (£118,813); diamonds uncut, £219,160 (£185,209); diamonds cut and polished, £152,692 (£174,649); wattle bark, £60,720 (£28,187); grease wool, £34,111 (£84,941); sheep skins, £27,447 (£50,962); and wattle extract, £27,045 (£24,065).

Exports to Italy fell considerably both in value and percentage, as was to be expected in view of the present international political situation. Italian imports from the Union during 1935 consisted chiefly of grease wool, £385,985 (£879,241); ox and cow hides, £103,427 (£151,452); sheep skins, £46,796 (£3,054), and maize, £44,036 (£54,799).

The United States increased her purchases from the Union during 1935, but on a percentage basis actually bought less of the total exports than during 1934. The principal items exported to the United States were: sheep skins, £211,559 (£237,614); diamonds uncut, £80,280 (£84,725); grease wool, £69,292 (£7,890); goat skins, £55,784 (£42,098); corundum, £41,232 (£23,433); and chrome ore, £36,476 (£45,993).

Japan was one of the few countries to show a slight increase as a destination for exports, due chiefly to sales of maize valued at £71,967, as compared with none in 1934. Grease wool was shipped to the value of £217,208 (£237,077); wattle bark, £39,788 (£39,294); and asbestos, £30,497 (£23,195).

#### EXPORTS TO CANADA

Canada is credited with taking 2.9 per cent of South Africa's exports in 1935 as compared with 3.4 per cent in 1934, 4.9 per cent in 1933, and 6.4 per cent in 1932. Merchandise shipments were valued at £767,000 as compared with £754,000 in 1934.

#### THE FOUR CHIEF COMMODITIES

South African exports consist largely of four outstanding commodities—wool, sugar, maize, and citrus fruit. In the case of citrus fruit, a serious attempt to export to Canada was made in 1934, but the experiment resulted in a heavy loss, and no direct shipments were made in 1935, although one or two small parcels reached Canada from England.

With regard to wool, South Africa exports wool chiefly in the grease, whereas Canada is more interested in scoured wool. Nevertheless, Canada took nearly 50 per cent more scoured wool from South Africa last year than in 1934, the fourth successive annual increase. Grease wool to the value of over £9,000 was shipped to Canada as compared with £1,811 in 1934.

It is, however, sugar and maize that dominate South Africa's exports to Canada. During the years 1932 and 1933 heavy shipments of sugar were made. In the latter year the shipments were so heavy as to completely counterbalance the effect of a shortage in maize shipments due to the drought. In 1934 maize shipments were extremely heavy, but sugar shipments were the lowest for some years. In 1935 the sugar shipments almost doubled those of 1934, but, on the other hand, maize shipments have fallen below the heavy exports of 1934.

## OTHER PRODUCTS

Exports of tinned pineapple to Canada showed over 100 per cent increase in 1935 over 1934, but this was due to the extremely small shipments which took place in 1934. Canada offers a good market for canned pineapple, and this is one commodity in which the Union could undoubtedly increase her exports if there was a sufficient pack available. Dried fruit, which showed such a large increase in 1934 over 1933, declined in 1935. This decline, however, was due entirely to shortage of supplies in South Africa. A number of Canadian firms have indicated that they were unable to obtain shipments of dried fruit.

In wine and spirits a healthy increase was recorded over 1934, although nothing like the increase of 1934 over 1933. The exports of wine and spirits to Canada during 1932, 1933, and 1934 showed extraordinary annual increases.

Exports of manganese ore were slightly less than during 1934. The following table shows the exports of the chief commodities to Canada for the last four years:—

	1932	1933	1934	1935
Sugar . . . . .	£ 762,240	£ 951,268	£158,595	£301,546
Maize . . . . .	295,498	35,810	466,541	374,139
Wool (scoured) . . . . .	8,137	11,743	20,701	29,113
Wool (grease) . . . . .	.....	.....	1,811	9,149
Citrus fruit . . . . .	.....	4,663	51,064	.....
Tinned pineapple . . . . .	2,357	2,211	1,309	3,698
Dried fruits (apricots, prunes, raisins, etc.)	4,778	16,700	33,377	27,164
Wines and spirits . . . . .	2,048	6,741	11,852	12,781
Other commodities . . . . .	7,040	9,179	5,278	4,802
Manganese . . . . .	.....	1,521	6,036	5,868
Total . . . . .	£1,082,098	£1,039,836	£754,753	£768,260

The item "other commodities" consists chiefly of fruit pulp. Skins, sausage casings, aloes, crystallized fruit, crayfish, grape syrup, and asbestos are among the other products shipped to Canada.

## GRASS-DRYING IN THE WEST OF ENGLAND

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, May 22, 1936.—The grassland of the British Isles produces the major part of the food requirements of live stock during the summer and a considerable quantity of hay which goes towards maintenance in winter. During the winter, however, it is necessary to supplement the maintenance ration produced on the farm, consisting chiefly of hay and roots, with large quantities of concentrated foods mainly imported from overseas. Particularly is it necessary to provide concentrated foods rich in protein, since roots and ordinary hay are both deficient in this essential ingredient of a production ration.

The making of hay has hitherto been the only method of conserving the grass grown in the summer for use during the winter months, and since the process was a reasonably cheap one there seemed no need for change. It has only recently been discovered that grass if cut at the young stage, say 5 to 8 inches long, and properly dried, is very rich in protein, and represents a material of high feeding and cash value.

## A NEW DEVELOPMENT

The drying of young grass, in connection with which experiments have been going on in England during the past ten years, is now considered to be a commercial proposition. One well-known firm has placed on the market a plant for use on farms, and there are already twenty-one units in operation throughout the country. As the development of the production of dried grass on any considerable scale is likely to affect the demand for the more highly concentrated forms of feeding stuffs, Canadian manufacturers of alfalfa meal in particular will wish to follow this development closely.

Although several methods of drying young grass have been tried with varying degrees of success during the past few years, it is only now that an attempt is being made to bring to the attention of farmers as a whole the importance of dried grass as a first-class feed for live stock on the farm and as a profitable market crop.

DEMONSTRATIONS

Late last year the Agricultural Research Council published a report prepared by a committee of the council on "The Preservation of Grass and other Fodder Crops." This spring demonstrations and conferences have been held in two different sections in the West of England under the auspices of local County Agricultural Education Committees in conjunction with the manufacturers of the drying equipment. To each of these demonstrations more than two thousand farmers came to learn details of the new development and to see the various operations from the cutting of the grass in the field to the drying and baling of the finished product. This widespread interest will be understood when it is considered how important a crop in British agriculture is that of grass, whether it be permanent pasture, grass grown for hay, or for the production of dried young grass by one or other of the methods now available.

LOSS IN HAYMAKING

In the United Kingdom at least 95 per cent of the grass required for winter feeding is preserved as hay. The aim of the farmer is usually to cut the crop when a majority of the plants are in flower. This, however, is often rendered impossible by weather conditions. Furthermore, the method of haymaking, which apart from the introduction of labour-saving machines has changed little from more primitive times, is such that serious losses to the crop may arise, due to the following causes:—

- (1) Shedding of seed due to the over-ripening of the crop.
- (2) Breaking off of leaf (the most valuable portion of the plant) due to handling in over-dry condition.
- (3) The washing out of soluble nutrients by rain.
- (4) Fermentation in stack (heating) which leads occasionally to spontaneous combustion.
- (5) Moulding and rotting either in stack or on the ground.

The extent of these losses is estimated at about 25 per cent and most of the loss falls on the more digestible material. Taking the average output of hay in England and Wales at 7,500,000 tons, and the value of first-quality hay on farms at 60s. per ton, the total loss on this basis may be estimated at £5,500,000.

There is the further drawback to the standard method of haymaking that the product has too low a nutritive value (starch equivalent) in relation to its bulk (dry matter) to form a suitable diet for intensive production.

FEEDING VALUE OF DRIED GRASS

Dried grass, on the other hand, is said to overcome almost all of these difficulties, and offers to the farmer a feeding material much superior to hay and equal to, or better than, many of the concentrated feedstuffs. The following table will show the feeding value of dried young grass as compared with that of other popular feeding stuffs:—

	Percentage Protein Equivalent	Percentage Starch Equivalent	Minerals
Dried grass . . . . .	13.0	60	8.6
Hay, good . . . . .	4.6	31	6.2
Maize (corn) . . . . .	6.8	81	1.3
Oats . . . . .	7.6	60	3.1
Weatings <sup>1</sup> . . . . .	10.8	63	3.6
Dried brewers' grains . . . . .	13.0	49	3.9
Alfalfa meal . . . . .	14.4	40	8.4
Palm kernel cake . . . . .	17.0	75	3.8

<sup>1</sup> Shorts, middlings and wheat offals from English mills.

Dried grass also contains unimpaired the vitamin content of fresh grass. So far as is known at present, the most important vitamin value of fresh grass depends upon its content of the yellow colouring matter known as carotene. The comparative carotene value of grass and other feedstuffs is shown below:—

	Milligrams per 100 Grams Dried Matter
Fresh good grass . . . . .	35 to 50
Dried grass . . . . .	35 to 40
A.I.V. silage <sup>1</sup> . . . . .	35 to 40
Ordinary silage . . . . .	35 to 40
Kale . . . . .	15 to 20
Hay . . . . .	1 to 3
Palm kernel cake . . . . .	A trace
Oats . . . . .	Nil

<sup>1</sup> The silage process introduced by Dr. A. I. Virtanen.

The grass when dried and baled will retain its food value and colour indefinitely, and in this respect is almost equal to fresh pasture grass. One farmer, who is operating two drying plants, states that his cattle are being fed entirely with dried grass, and are not put out to pasture at all. In this way he is able to provide them with a controlled and uniform feed of high value throughout the year.

#### CUTTING SEASON

The importance of the development of drying grass in this country lies, of course, in the fact that wet weather need not adversely affect its production. Indeed, it is in the wetter districts of the country, where the grass grows quickly, that best advantage can be taken of the installation of drying equipment. In such areas as many as six cuttings can be made in a year, beginning in April and continuing through the summer and autumn months to early November. Under average circumstances, however, four cuttings are considered satisfactory.

#### CUTTING THE GRASS

The grass is cut at a length of from 5 to 8 inches by means of any one of a variety of cutting machines ranging from an ordinary mower with a special cutting bar attachment and drawn by horses to the latest tractor-operated implement for cutting the grass and lifting it into trucks.

#### WILTING

The next step in the process is that of drying. The grass at this stage contains from 75 to 85 per cent moisture, depending upon the season, the time of day, or the location in which it is grown. If it is allowed to remain in the field to wilt for forty-eight hours after being cut some of this moisture may be evaporated naturally, but this is not usually recommended as a certain amount of the carotene (vitamin) value is lost, and the grass so left is subject to the possibility of rain with the resultant increase in moisture content, combined with the chance of being affected by mould, and a loss of valuable soluble matter.

#### THE DRYING PROCESSES

A number of driers have been developed, each of which is designed to provide in its own way the necessary requirements to assure a properly dried product. As none of these plants have been on the market for more than two or three years, and as they are all still in a more or less experimental stage, no attempt will be made here to describe the various processes at length. A description of the general features of a grass drier, followed by a short account of a typical plant, will serve the purpose of this report.

The drying medium consists of a current of heated gas. This gas may be either air or a mixture of air and furnace gases obtained by the combustion of coal, coke, or oil. The circulation of these hot gases may be either natural or forced, but in practice it has not always been found possible to obtain a sufficiently powerful draught by natural means.

The drier may operate continuously or as a batch drier. In the former case, the grass may be conveyed through the drier (a) by gravity, using a drum rotating about on an inclined axis or by vibrating inclined screens; (b) by a moving band; or (c) by a current of gas moving at sufficient velocity to carry the grass with it. These different methods may be combined.

The chaffing of the herbage is necessary for certain of these methods of conveyance, but not for others. It is essential for pneumatic conveyance, and desirable for rotating drum or inclined screen driers. For moving band or batch driers of the tray type chaffing is not essential provided suitable means are adopted to pack the grass in a uniform "mat" on the band or tray, or if there is provision for turning or tedding it. There are certain considerations in connection with the storage and feeding of the dried material which may make it preferable not to chaff the grass before drying if avoidable. In any case, it must be borne in mind that uniformity of drying is of prime importance.

A word or two regarding the temperature of the hot gases may be of interest. This temperature depends, of course, on the speed of the drying process, and the time for which the herbage is in contact with the gases. While the grass is still moist its actual temperature is kept down by evaporation, and high-temperature inlet gases will have no serious effect. After the bulk of the moisture has been driven off, however, the grass is no longer protected by evaporation, and there is a danger, apart from the fire risk, of roasting the grass and spoiling its food value. Temperatures of 160° C. or over result in serious loss in protein digestibility and in carotene content after exposure of *dried* grass for periods as short as 10 to 15 minutes, the damage increasing greatly with either increased temperatures or time of contact.

### A TYPICAL DRYING PLANT

The drier used at a recent demonstration and conference arranged by the Wiltshire Agricultural Education Committee is fired by coke. The producer gas, which is formed in the furnace, is burned at six jets, and this gas heats the air which is drawn by a fan into the drier to a temperature of 150° C.

Two trays in the drying chamber hold the grass through which the hot air passes. In one of these trays the grass has been partly dried, and the air passing through it first then goes on to the tray of fresh grass and out the stack laden with moisture. When the first trayful is completely dry, as accurately indicated by a thermometer, it is taken out and baled while a new batch of fresh grass is loaded, and the partly dried grass is transferred to the other tray after being forked or tedded so as to ensure even and thorough drying. Duplicate sets of trays, one of which can be loaded, forked, and unloaded while the other is in the drier, makes the operation practically continuous.

The drying operation lasts for from 15 to 25 minutes, depending upon the amount of moisture in the grass. In the first tray this moisture is reduced from around 80 per cent to about 35 per cent. The second contact with the hot air reduces the percentage to about 2 or 3. For every ton of dried grass obtained during the demonstration 4 tons of water were being evaporated in the plant.

Grass was being fed into the drier at the rate of from 20 to 25 cwt. per hour, which meant that production was in the neighbourhood of 4½ cwt. per hour of dried grass. Under favourable circumstances this could be raised to 8 cwt.

### COST OF DRIERS

As mentioned above, there are several types of driers suitable for farm use being offered for sale at prices ranging from £330 to £1,250. The one just described, having a capacity of 33 cwt. of dried grass per eight-hour day, costs £750, including baler. A plant with two-thirds this capacity costs £600. To these figures must be added the cost of concrete base, building structure, and

connection to power supply. This would probably add another £120. Field work, operating costs, including fertilizers, etc., but not including rent, interest, or depreciation, are estimated to be as follows:—

	Cost per Ton Dried Grass £ s. d.
Coke . . . . .	0 16 0
Man labour . . . . .	0 13 0
Electricity . . . . .	0 5 6
Baler banding . . . . .	0 3 6
Repairs and sundries . . . . .	0 2 0
Operating cost drier and baler . . . . .	2 0 0
Field work and carting grass . . . . .	0 13 0
Fertilizers . . . . .	0 15 0
Total cost . . . . .	3 8 0

It will be noted that the cost compares very favourably with that of some of the highly concentrated and imported feedstuffs, including alfalfa meal, which are selling at the present time at from £5 to £10 or more per ton. It is only slightly higher than the average price of hay, and has a much greater feeding value.

#### PRICE OF DRIED GRASS

Prices obtained for dried grass which has been offered on the market have ranged from £7 to £9 per ton. The limited supply available has been responsible to some extent for these high figures, but even with increased production and lower prices the spread between cost and selling price is likely to be an important factor in the development of this new process in the production of feeding stuffs on the farm.

#### PORTABLE DRIERS

The drying plants so far considered have been those intended for installation on the farm, and require the labour of only two or three untrained men. Attention has also been given to the development of a portable plant which can be taken from farm to farm, in the manner of the portable type of threshing outfit.

#### LARGE-SCALE DRIERS

Finally, there is the large-scale or factory-type drier, which is centrally located, and to which can be hauled the fresh grass as it is cut from the farmers' fields. While up to the present time study has for the most part been concentrated on the individual types of driers, there is little doubt that if these prove to be successful and a country-wide demand for dried grass is created, the large-scale plant will be a natural development.

### ASSISTANCE TO FLAX GROWERS IN THE IRISH FREE STATE

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, June 11, 1936.—A Flax Bill, introduced last December by the Minister for Agriculture of the Irish Free State, has now passed the Dail, with practically no amendment.

The new law is experimental and aims at the promotion of more extensive growing of flax in the Irish Free State, and of regulating the growing, scutching, and sale thereof. The area to which the Act will apply will be defined annually by order of the minister. This year it will apply only to the three northern counties, Donegal, Cavan, and Monaghan, where practically all the flax of the Free State has recently been grown. Growers, scutch-millers and their premises will be registered.

As in the case of the initial Government assistance to wheat-growing, a standard price (8s. per stone of 14 pounds has been mentioned by the minister

in a speech as a probable figure for this year) will be fixed by the Executive Council annually for a limited quota, and a bounty of the amount by which the ascertained sale price may fall below the standard price will be paid to growers. Government inspectors will examine the crop and assess the sale price of each registered grower's flax. Experience has shown that it is impracticable to get farmers in the Free State to make timely returns. There will be no limit to the amount which may be grown, but only to the amount to which the standard price will apply.

There is no flax weaving or spinning industry in the Free State, and it is probable that the market for the scutched flax will continue to be Northern Ireland, where there is a good demand for the linen trade, especially since Germany has been buying much of the Russian surplus flax. Particulars of the flax trade in Ireland were published in *Commercial Intelligence Journal* No. 1624 (March 16, 1935).

## REVIEW OF AUSTRALIAN OVERSEAS TRADE, 1934-35<sup>1</sup>

M. T. STEWART, ACTING TRADE COMMISSIONER

### Importations of Interest to Canada

#### II. MISCELLANEOUS

In last week's issue of the *Commercial Intelligence Journal* the importations into Australia of motor chassis and chassis parts, newsprint, timber, and canned fish were reviewed, these items representing 67 per cent of the imports from Canada in the fiscal year ending June 30, 1935.

The remainder of the imports into Australia from Canada, comprising some 33 per cent of the total, is made up of a wide range of commodities and materials in semi-manufactured and complete state. The following statistics give details of the total imports from the chief exporting countries of those items in which Canada is interested, for the years 1933-34 and 1934-35, the 1933-34 figures being shown within parentheses:—

*Hides and Skins.*—This item includes a wide variety of raw furs for manufacture into women's garments and neckwear. Total, £184,514 (£114,459): United States, £87,195 (£27,096); Canada, £40,781 (£32,350); Turkey, £13,660 (£7,666).

*Furs, Dressed or Prepared, n.e.i.*—Total, £110,757 (£141,965): United Kingdom, £58,104 (£58,418); Hungary, £23,546 (£52,175); Canada, £1,909 (£2,002).

*Chemical Wood-pulp.*—Total, £205,439 (£232,147): Sweden, £123,850 (£191,062); Finland, £65,262 (£29,156); France, £3,002 (£6,064); Canada, £1,282 (£93).

Although Canada is not participating to any extent in supplying chemical wood-pulp for the Australian paper industry, present developments indicate that the market for chemical pulp will increase, and manufacturers should endeavour to consolidate their position as increased imports in this item may compensate, to some extent, for the probable reduction in paper consequent upon the further development of the domestic industry.

*Costumes and Dresses of Silk.*—Larger quantities of ready-made costumes were imported from Canada in 1934-35, although the trade is as yet insignificant, but the large departmental store buyers are taking a keener interest in the possibilities of obtaining popular models from Canadian dress manufacturers, and although this trade is difficult to develop, certain opportunities exist. (See report on "Market in Australia for Imported Dresses" in *Commercial Intelligence Journal* No. 1665: December 28, 1935.)

Total, £29,348 (£23,314): United States, £17,175 (£13,258); Canada, £561 (£170).

*Linoleums, Other, and Floor Coverings.*—Total, £342,085 (£280,940): United Kingdom, £314,726 (£257,383); United States, £23,995 (£19,428); Belgium, £523 (£3,590); Canada, £2,704 (£351).

<sup>1</sup> This report is in continuation of a series that was begun in No. 1679 (April 4) with a report on economic conditions in Australia in 1934-35, and continued in No. 1680 (April 11) with a general review of the overseas trade, and in No. 1681 (April 18) with a section on trade with Canada and the United States; and in No. 1691 with the first section of importations of interest to Canada.

*Oil Baize or Similar Fabrics prepared with Rubber, Oil, Cellulose or Nitro-cellulose.*—Total, £58,644 (£48,939): United Kingdom, £49,051 (£42,624); United States, £2,744 (£3,104); Canada, £6,830 (£2,711).

*Piece-goods, Canvas and Duck, n.e.i.*—Total, £475,193 (£364,798): United Kingdom, £404,559 (£336,873); Japan, £58,204 (£20,680); Belgium, £4,850 (£4,256); Canada, £5,418 (£2,162).

*Cotton n.e.i., Dyed or Printed.*—Total, £2,878,675 (£2,879,160): United Kingdom, £2,283,153 (£2,368,498); Japan, £452,422 (£327,796); United States, £50,266 (£65,699); Switzerland, £15,315 (£42,306); Canada, £9,035 (£19,621).

*Piece-goods, Other.*—Total, £252,037 (£166,666): Canada, £184,179 (£113,921); United Kingdom, £64,902 (£47,953).

*Asbestos, Crude.*—Total, £60,607 (£34,538): South Africa, £42,592 (£27,242); Canada, £11,047 (£5,801); Rhodesia, £4,765 (£963).

*Abrasives, Sand, Glass, and Emery Paper and Cloth.*—Total, £74,271 (£59,574): United Kingdom, £67,058 (£52,889); United States, £4,004 (£4,806); Canada, £1,219 (£966).

Canada is increasing her share of the Australian market in these lines, and is also gaining a place in the market for carborundum and other abrasive wheels.

*Cash Registers.*—Total, £29,164 (£13,195): United States, £10,725 (£11,625); Canada, £15,525 (£1,191); Germany, £1,593 (£231).

*Cream Separators.*—Total, £112,128 (£99,576): Sweden, £57,024 (£50,269); United Kingdom, £46,866 (£31,002); United States, £2,559 (£6,689); Canada, £2,298 (£6,705); Germany, £842 (£2,517).

*Cable and Wire, Electric Light and Power.*—Total, £590,354 (£412,361): United Kingdom, £521,632 (£348,472); United States, £23,910 (£27,088); Netherlands, £10,670 (£13,710); Germany, £13,046 (£9,711); Canada, £7,232 (£3,970).

*Stoves (including Elements).*—Total, £14,362 (£5,143): Canada, £6,857 (£2,465); United States, £1,521 (£1,327); United Kingdom, £5,602 (£1,170).

*Electric Measuring and Recording Instruments.*—Total, £89,371 (£59,753): United Kingdom, £47,235 (£35,470); United States, £18,396 (£12,231); Switzerland, £11,030 (£6,617); Germany, £9,155 (£3,959); Canada, £2,280 (£833).

*Valves for Wireless Telegraphy or Telephony.*—Total, £327,390 (£191,122): United States, £135,055 (£125,364); United Kingdom, £117,026 (£48,881); Netherlands, £67,829 (£12,187); Canada, £7,149 (£4,435).

*Electrical Appliances, n.e.i., including Washing Machines.*—Canada's share of this important item is small, but within the past year a marked increase in the electrical washing machine trade has taken place, and Canadian manufacturers are in an excellent position to secure a large percentage of the available business.

Total, £156,031 (£121,675): United Kingdom, £88,038 (£61,495); United States, £52,745 (£42,104); Japan, £4,543 (£5,634); Germany, £4,363 (£7,415); Canada, £1,373 (£874).

*Agricultural Implements and Machinery.*—Under this heading a substantial export trade was done with Australia by Canadian manufacturers prior to 1930, but since that time an increasing proportion of the total requirements has been met by the local manufacturers, and the Dominion's share of the market has dwindled to negligible proportions, as indicated in the following figures:—

*Metal Parts for Hay Rakes and Mowers.*—Total, £2,744 (£3,331): Canada, £774 (£1,557); United States, £1,473 (£1,387).

*Knife Sections and Ledger Plates for Reapers and Binders and Mowers.*—Total, £5,780 (£4,559): United Kingdom, £3,859 (£3,837); Canada, £1,432 (£315).

*Drills (Fertilizer, Seed, and Grain) n.e.i. (including Parts).*—Total, £2,881 (£1,768); Canada, £1,726 (£718); United States, £1,070 (£753).

*Mowers.*—Total, £20,853 (£7,872): Sweden, £8,325 (£5,868); United Kingdom, £1,450 (£1,468); Canada, £898 (£323).

*Ploughs, Other.*—Total, £7,861 (£5,654): United States, £4,797 (£3,306); Canada, £2,372 (£2,099); United Kingdom, £692 (£229).

*Reapers and Binders.*—Total (£735) (£7,746): United States, £442 (£7,746); Canada, £293 (nil).

*Rock-boring Machines, n.e.i.*—Canada's substantial increase in this item is due to sustained activity in mining throughout Australia.

Total, £47,993 (£13,793): Canada, £37,214 (£8,079); United States, £10,420 (£5,387).

*Spark Plugs.*—Total, £44,451 (£44,116): Canada, £22,965 (£27,731); United Kingdom, £19,064 (£15,338).

*Motive-power Machinery, n.e.i.*—Total, £87,771 (£65,881): United Kingdom, £56,765 (£34,489); United States, £24,364 (£23,213); Canada, £5,370 (£6,654).

*Knitting Machines.*—Total, £148,240 (£138,530): Germany, £37,948 (£50,082); United Kingdom, £42,577 (£44,758); United States, £54,042 (£30,923); Canada, £10,848 (£9,962).

*Typewriters and Parts.*—Total, £155,652 (£116,147): Canada, £63,896 (£49,857); United States, £60,987 (£38,237); United Kingdom, £30,037 (£27,910).

*Machinery, n.e.i.*—Total, £609,048 (£451,403): United Kingdom, £324,071 (£258,706); United States, £182,071 (£111,714); Germany, £53,177 (£43,853); Italy, £3,994 (£7,712); Canada, £8,721 (£6,963).

*Aluminium: Blocks, Ingot, Pigs, and Scrap.*—Total, £38,935 (£26,175): United Kingdom, £34,958 (£24,824); Canada, £3,922 (£1,080); United States, nil (£265). *Plates and Sheets.*—Total, £136,231 (£108,146): United Kingdom, £101,108 (£103,644); Germany, £2,705 (£3,921); Canada, £30,556 (£53).

*Steel Nail Wire.*—Total, £6,117 (nil): Canada, £6,086 (nil).

*Wire, Other, Galvanized, Tinned, or otherwise Coated.*—Total, £25,426 (£23,393): United Kingdom, £15,918 (£20,534); Canada, £5,881 (£52).

*Wire (No. 15 or Finer Gauge).*—Total, £100,976 (£65,756): United Kingdom, £75,466 (£49,686); United States, £11,523 (£8,229); Germany, £4,182 (£4,100); Canada, £9,082 (£3,226).

*Cordage, Metal (1 Inch and Over in Circumference).*—Total, £36,366 (£32,357): United Kingdom, £29,760 (£31,137); Canada, £6,051 (£397); Germany, £543 (£823).

*Lamps and Lampware.*—Total, £196,120 (£134,125): United Kingdom, £76,365 (£62,972); United States, £61,756 (£32,658); Japan, £16,659 (£11,389); Germany, £12,736 (£10,107); Sweden, £1,973 (£1,817); China, £4,083 (£1,385); Canada, £13,828 (£9,211).

*Locks.*—Total, £51,010 (£42,928): United Kingdom, £37,657 (£32,389); Germany, £5,456 (£4,744); United States, £4,387 (£3,069); Canada, £2,826 (£1,856).

*Pipes and Tubes of Wrought Iron or Steel (under 3-Inch Diameter Internally).*—Total, £298,915 (£330,121): United Kingdom, £261,200 (£278,622); United States, £8,507 (£22,981); Canada, £23,598 (£20,376).

Smaller shipments were made from Czechoslovakia, Germany, and Sweden.

*Plated Ware and Cutlery.*—Total, £288,184 (£245,138): United Kingdom, £229,814 (£186,687); Germany, £38,933 (£42,979); Japan, £6,742 (£7,308); United States, £4,764 (£2,977); Canada, £2,005 (£64).

*Axes and Similar Cutting Tools.*—Total, £53,503 (£59,365): Canada, £22,341 (£26,571); United States, £26,362 (£24,213); United Kingdom, £3,618 (£6,395); Sweden, £617 (£1,975).

*Saws, including Blades (Hand).*—Total, £35,962 (£46,339): United Kingdom, £10,824 (£31,835); Canada, £16,449 (£5,614); United States, £6,868 (£5,360); Germany, £1,309 (£3,016).

A substantial increase is credited to Canada in this item; the total imports have decreased.

*Other Tools.*—Total, £503,058 (£386,392): United Kingdom, £267,998 (£210,857); United States, £114,288 (£78,267); Germany, £63,514 (£59,649); Canada, £27,637 (£13,956).

*Brake and Transmission Lining.*—Total, £71,683 (£77,634): United Kingdom, £42,859 (£51,551); United States, £25,235 (£22,030); Canada, £1,631 (£1,408).

*Valves for Pneumatic Tires, Cyclometers, Speedometers.*—Total, £89,108 (£64,907): United States, £31,214 (£24,754); United Kingdom, £22,296 (£20,600); Canada, £34,771 (£17,955).

*Shock Absorbers.*—Total, £51,797 (£28,434): United Kingdom, £12,042 (£13,146); Canada, £12,671 (£7,996); United States, £26,847 (£7,226).

*Motor Car Parts.*—Total, £329,405 (£198,212): United States, £208,186 (£98,793); United Kingdom, £76,168 (£70,970); Canada, £24,329 (£38,695).

*Manufactures of Metal, n.e.i.*—Total, £608,227 (£493,226): United Kingdom, £419,892 (£333,007); United States, £83,787 (£59,919); Germany, £37,285 (£35,757); Japan, £15,058 (£24,854); Canada, £6,359 (£6,033).

*Apparel Elastic (Rubber).*—Total, £138,671 (£133,100): United Kingdom, £62,725 (£69,455); United States, £29,789 (£33,007); Japan, £26,591 (£11,762); Germany, £4,746 (£6,911); Canada, £10,176 (£4,993).

*Rubber Gloves.*—Total, £1,816 (£1,930): Canada, £734 (£783); United Kingdom, £646 (£745); United States, £387 (£303).

*Timber, Tongued or Grooved.*—Total, £44,727 (£38,503): Norway, £24,459 (£25,314); Sweden, £19,309 (£12,931).

*Boxwood, Undressed, n.e.i., for Box Manufacture.*—Total, £253,676 (£203,089): Canada, 233,108 (£197,508); United States, £14,807 (£4,459); New Zealand, £1,155 (£893).

*Boxboard, Cut to Size and Dressed or Partly Dressed.*—Total, £62,283 (£66,767): Canada, £21,430 (£28,682); United States, £18,428 (£6,412); Sweden, £10,315 (£14,637); Norway, £5,397 (£6,509); Poland, nil (£5,695); Finland, £4,576 (£3,476); Netherlands, £1,149 (£1,105).

*Douglas Fir Logs, not Sawn.*—Total, £249,489 (£123,716): Canada, £237,075 (£122,439); United States, £12,414 (£1,277). New South Wales again imported over 90 per cent of the total value (£211,715 as compared to £112,620 for the previous year).

*Staves, Undressed.*—Total, £9,057 (£14,874): Poland, £879 (£9,109); Canada, £6,148 (£4,272); United States, £1,832 (£1,209).

*Douglas Fir* (in sizes less than 7 inches by 2½ inches or its equivalent).—Total, £11,463 (£13,899): Canada, £10,795 (£12,576); United States, £668 (£1,323).

*Other Types of timber* (in sizes less than 7 inches by 2½ inches or its equivalent).—Total, £439,905 (£307,320): New Zealand, £349,318 (£235,035); United States, £16,060 (£16,713); Philippine Islands, £15,294 (£7,102); United Kingdom, £14,783 (£14,815); Finland, £10,070 (£8,308); Canada, £7,536 (£4,280).

*Undressed Timber n.e.i.* (in sizes less than 7 feet 6 inches by 10½ inches by 2½ inches, for use in the manufacture of doors).—Total, £26,435 (£20,955): United States, £14,022 (£13,866); Canada, £10,411 (£6,065).

*Douglas Fir* (in sizes of 7 inches by 2½ inches and less than 12 inches by 10 inches).—Total, £53,443 (£72,837): Canada, £45,129 (£64,028); United States, £8,314 (£8,809).

*Other Timbers* (in sizes of 7 inches by 2½ inches and less than 12 inches by 10 inches).—Total, £75,418 (£49,552): New Zealand, £34,237 (£21,071); United States, £13,517 (£13,887); Philippine Islands, £8,152 (£3,533); Canada, £6,752 (£6,514); Sweden, £7,599 (£2,767).

*Douglas Fir Mixing Timber.*—Total, £32,361 (£33,940): Canada, £8,780 (£31,272); United States, £23,581 (£2,668).

*Douglas Fir* (in sizes of 12 inches by 10 inches and over).—Total, £41,742 (£41,043): Canada, £40,191 (£38,199); United States, £1,551 (£2,844).

*Veneers.*—Total, £13,440 (£14,461): United States, £6,452 (£7,076); United Kingdom, £2,647 (£2,798); Canada, £1,210 (£2,484).

*Miscellaneous Wood Manufactures.*—Total, £149,648 (£116,675): Sweden, £45,379 (£37,266); United Kingdom, £36,273 (£33,910); Lithuania, £22,806 (nil); Latvia, £18,571 (£16,208); Canada, £1,040 (£3,681).

*Tool Handles.*—Owing to the handle items having been subdivided, the comparative figures for the previous year are not available, but total shipments of tool handles in 1933-34 were as follows:—Total, £34,195: United States, £21,070; Canada, £12,361; United Kingdom, £735.

*Handles, Adze, Hammer over 24 Inches, Mattock, and Pick.*—Total, £27,763: United States, £13,614; Canada, £13,751.

*Handles, n.e.i.*—Total, £5,284: United States, £3,153; Canada, £1,433.

*Electrical Ware of Earthenware and Porcelainware, including Insulators.*—Total, £19,810 (£13,466): France, £2,432 (£4,260); Germany, £5,224 (£3,749); United Kingdom, £3,753 (£2,670); Japan, £1,475 (£1,281); Canada, £5,079 (£671).

*Lenses, n.e.i., Locket, Brooch, and Watch Glasses.*—Total, £28,105 (£31,762): United Kingdom, £18,040 (£19,709); United States, £6,762 (£6,346); Canada, £828 (£1,639).

*Paper Boards* (other than Millboards, Strawboards).—Total, £179,058 (£168,604): United Kingdom, £67,451 (£61,999); Sweden, £51,173 (£44,830); United States, £7,080 (£9,941); Finland, £7,787 (£9,161); Canada, £9,055 (£1,697).

*Printing Paper* (in sheets not less than 20 inches by 25 inches)—Newsprinting.—Total, £77,819 (£82,657): United Kingdom, £26,082 (£41,252); Canada, £48,115 (£26,713). Finland, Norway, and Sweden also shipped fair quantities.

*Printing Paper, n.e.i.* (in sheets not less than 20 inches by 25 inches)—Glazed.—Total, £464,496 (£437,820): United Kingdom, £359,796 (£332,989); Norway, £32,292 (£42,095); Sweden, £30,915 (£29,845); Canada, £4,957 (£3,763).

*Roofing and Sheathing Felt and Paper.*—Total, £7,373 (£5,545): Canada, £3,726 (£2,997); United States, £2,295 (£1,041).

*Writing and Typewriting Paper.*—Total, £424,931 (£422,707): United Kingdom, £282,034 (£265,775); Norway, £74,800 (£79,125); Sweden, £21,666 (£29,442); Canada, £27,686 (£26,051). Decreased imports were noted from Austria, Czechoslovakia, Finland, and Germany.

*Paper, n.e.i.*—Total, £50,304 (£38,414): United Kingdom, £24,659 (£12,736); Austria, £7,869 (£10,152); Germany, £6,273 (£4,870); Canada, £514 (£1,055).

*Cards, Playing.*—Total, £12,866 (£12,021); United Kingdom, £7,280 (£7,109); Canada, £2,968 (£3,383); United States, £2,489 (£1,510).

*Paper Manufactures, n.e.i.*—Total, £65,499 (£60,755): United Kingdom, £32,830 (£31,149); United States, £10,034 (£12,854); France, £6,964 (£5,102); Canada, £4,540 (£1,598).

*Paperhangings and Wallpapers.*—Total, £74,666 (£68,884): United Kingdom, £58,710 (£56,935); Canada, £12,493 (£9,653).

*Fountain Pens, etc.*—Total, £81,930 (£56,054): United Kingdom, £65,058 (£41,625); United States, £9,605 (£6,780); Canada, £4,129 (£3,350); Japan, £2,721 (£3,478).

*Clock Movements and Parts.*—Total, £120,939 (£93,190): Germany, £51,631 (£38,814); Canada, £28,244 (£19,885); Japan, £12,815 (£13,212); United Kingdom, £13,074 (£11,918).

*Watches and Chronometers, n.e.i.*—Total, £43,490 (£31,336): Switzerland, £17,231 (£12,926); Canada, £13,831 (£12,198); Germany, £4,824 (£4,294); United Kingdom, £1,114 (£448).

*Sensitized Films.*—Total, £128,823 (£130,224): Canada, £75,900 (£87,694); United States, £33,325 (£35,055); Germany, £16,438 (£5,657).

*Calcium Cyanide.*—Total, £20,165 (£13,694): Canada, £10,031 (nil); United States, £6,742 (£9,467); Germany, £3,126 (£3,728).

*Bismuth Metal and Salts.*—Total, £15,907 (£20,169): United Kingdom, £14,976 (£17,390); Canada, £897 (£2,757).

*Calcium Acetate.*—Total, £7,125 (£5,148): Canada, £4,555 (£1,929); Czechoslovakia, £2,422 (£1,467).

*Cyanides of Potassium and Sodium.*—Total, £93,388 (£83,559): United Kingdom, £78,121 (£71,166); Canada, £12,549 (£9,521); United States, £969 (£2,071).

*Proprietary Medicines.*—Total, £172,428 (£195,502): United Kingdom, £109,026 (£114,055); Germany, £28,336 (£42,851); United States, £11,528 (£19,660); Canada, £2,951 (£1,348).

*Iodides.*—Total, £7,525 (£11,317): United Kingdom, £5,721 (£7,729); Japan, £1,071 (£2,194).

*Brooms, Whisks, Mops, and Carpet Sweepers.*—Total, £16,681 (£16,091): United Kingdom, £12,379 (£12,838); United States, £157 (£390); Canada, £3,498 (£2,007).

*Vacuum Cleaners.*—Total, £95,664 (£62,686): Sweden, £47,852 (£27,270); United Kingdom, £29,972 (£25,010); United States, £13,785 (£6,462); Canada, £2,665 (£2,961).

*Wall and Ceiling Parts and Decorations.*—Total, £32,054 (£16,982): United States, £13,826 (£7,798); Canada, £13,161 (£5,502); United Kingdom, £2,178 (£1,984); Sweden, £1,712 (£1,121).

Consequent upon the sustained activity in the building industries, the importation of wall and ceiling parts, comprised mainly of wallboards, approximately doubled, and imports of Canadian wallboard have increased to the point where they are practically equal to those from the United States. There are opportunities for even greater sales on the part of Canadian manufacturers of board suitable to the requirements of the Australian market.

*Piston Rings, Piston Pins, and Valves for Internal Combustion Engines.*—Total, £16,654 (£9,560): United Kingdom, £7,250 (£5,223); United States, £6,196 (£4,164); Canada, £1,351 (nil).

## COMMERCIAL NOTES FROM NEW SOUTH WALES

B. MILLIN, COMMERCIAL AGENT

### Australian Butter Production and Exports

Sydney, June 1, 1936.—At the beginning of the present century Australia possessed about 1,000,000 dairy cows, and produced approximately 47,000 tons of butter and 5,000 tons of cheese. Of this figure about 17,000 tons of butter was exported. At the present time there are approximately 3,500,000 dairy cows in Australia. The annual butter production has reached 200,000 tons, and cheese production 17,000 tons. Australia now exports about 100,000 tons of butter annually. As five years ago only about 48,000 tons of butter were exported annually, the export figure has more than doubled in that period.

Recently a co-ordinated effort of the Commonwealth and States was arranged whereby the exportation of butter of poor first-quality or lower, described as first quality, was prohibited, and this has had a marked effect on the total of first quality exported.

So far it would appear that the exports this year will show a reduction from last year. From July 1, 1935, to April 18, 1936, the total was 84,519 tons as compared with 107,383 tons for the corresponding period of 1934-35.

### Oil Production in Australia

The Commonwealth Government recently announced that, after a thorough review of all sources of production and of technical reports bearing upon flow oil, shale oil and oil from coal, it has decided to make available a sum of £250,000 for advances by way of approved loans to companies or persons on a pound for pound basis, for the purpose of drilling operations in connection with the search for flow oil in Australia.

The Government is determined to investigate every means of giving to Australia some measure of independence in oil supplies. To that end

definite information will be obtained concerning the possibilities of well-oil production in Australia and New Guinea. Information in the possession of the Government indicates that the prospects of finding well oil in commercial quantities in Australia and New Guinea are now rated more favourably than has hitherto been the case.

Australia and Tasmania possess in large quantities the richest oil shale in the world, some of which has produced oil up to 120 gallons to the ton. In connection with this industry full technical information is available regarding the economics of production. The mines at Newnes, 100 miles from Sydney, are capable of producing 7,250,000 gallons of petrol per annum. The works established there have not been working to their full capacity for some time as they cannot compete with imported petrol.

In view of this, it has been decided that petrol production from shale in Australia, up to a maximum of 10,000,000 gallons per annum, shall be granted, for a period of twenty years, protection over imported petrol to the extent of the customs and excise duties at present operating. The effect of this will be that if the present customs duty of 7 pence per gallon on imported petrol, or the excise duty of  $5\frac{1}{2}$  pence a gallon on petrol produced from imported crude oil, are reduced during the next twenty years, a subsidy equal to the amount of such reduction will be paid on petrol produced from Australian shale up to the maximum of 10,000,000 gallons per annum.

The coal fields of Australia contain vast deposits of the very best coal of all varieties. Consequently the extraction of coal petrol has been well investigated, and the Government regards the production of oil from coal as of such importance that it is sending the chief executive officer of the Council for Scientific Research abroad for the purpose of studying the latest methods of extraction.

### Sydney Wool Sales

The series of sales which terminated on May 12 ended a six-days selling program at which over 50,000 bales of wool were offered. Values throughout, compared with those ruling at the close of the main selling season, showed very little change. It was noticeable that in some of the types of well-grown fleece wool, when carrying burr, values did not quite reach previous prices.

For any of the recently shorn wools competition was brisk and good prices were realized. Japanese and Yorkshire buyers were the chief purchasers of these types. Most of these newly shorn wools are dry and light in condition and are high-yielding wools.

Crutchings, lambs' wool, etc., were in good demand, and bidding for these on the part of the local mills was strong, obtaining a large proportion of the offering. There will be no further auctions in Sydney until June 15, when a four-days selling program will be carried out. This will terminate the 1935-36 season. Subject to the market remaining on the present basis—and everything points in that direction—there will be no carry-over, thus giving a clean sheet for the opening of the 1936-37 season, which will commence at the end of August.

### LUMBER REQUIREMENTS OF JAMAICA

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, June 9, 1936.—Jamaica normally imports about 20,000,000 feet of lumber annually, although the 1935 importations fell somewhat short of that figure. For many years this market has been supplied with yellow pine from the Southern States. Spruce and hemlock are practically unknown, and Douglas fir has met with indifferent success. In 1926 an effort was made to establish Douglas fir in this market, and during that year about 4,000,000 feet were imported, with a corresponding decline in pitch pine imports.

Douglas fir sales reached 5,000,000 feet in 1927, but since then have declined steadily until 1932 when they were negligible. A moderate revival occurred in 1933, and a further improvement in 1934 when a total of 2,277,539 feet was imported. In 1935, however, due it is stated to the longshoremen's strike on the Pacific Coast, imports again dropped to 826,017 feet. Small quantities of white pine and redwood are also brought into Jamaica, the white pine originating in Canada and the redwood in the United States.

Several reasons are advanced for the failure of Douglas fir to maintain its place in the Jamaican market, such as the prejudice entertained by the builder against a new lumber about which he knows little; the objection raised by the carpenter that it is more difficult to work than pine; that it is subject to greater shrinkage and more subject to the ravages of the wood ant than pine. One factor, however, in the present situation was the shipment of inferior grades in the first two years.

IMPORTS

The following table gives details of Jamaica's lumber imports from the principal sources of supply during the calendar years 1927, 1934, and 1935:—

Imports of Lumber into Jamaica

	1927		1934		1935	
	Feet	£	Feet	£	Feet	£
Douglas fir, rough—						
Total . . . . .	3,202,548	24,019	1,182,215	5,781	284,038	1,537
Canada . . . . .	3,202,548	24,019	1,178,627	5,757	284,038	1,537
United States . . . . .			3,588	24		
Douglas fir, dressed—						
Canada . . . . .	1,608,160	11,257	1,495,324	9,030	541,979	3,201
Pitch pine, rough—						
Total . . . . .	4,237,992	39,116	8,398,402	56,730	6,818,375	45,222
Bahamas . . . . .			1,165,616	8,008	332,927	6,372
Nicaragua . . . . .	117,563	808	39,101	394		
United States . . . . .	4,119,716	38,303	7,193,685	48,328	5,885,448	38,850
Pitch pine, dressed—						
Total . . . . .	6,015,349	56,055	9,436,116	65,129	9,650,612	66,081
Bahamas . . . . .			133,084	1,043	633,158	5,632
Nicaragua . . . . .	136,492	1,268	67,716	687		
United States . . . . .	5,878,857	54,787	9,235,316	63,399	9,017,454	60,449
White pine, rough—						
Canada . . . . .	72,448	929	197,988	1,385	22,556	204
White pine, dressed—						
Total . . . . .	106,996	1,289	190,993	1,372	16,761	160
Canada . . . . .	83,273	1,000	190,993	1,372	16,761	160
United States . . . . .	23,723	289				
Unenumerated, rough—						
Total . . . . .	4,881	58	246,160	3,793	232,820	3,334
Bahamas . . . . .			80,456	575	120,000	1,021
British Guiana . . . . .			3,540	75	11,664	141
British Honduras . . . . .			1,602	33	171	3
Canada . . . . .			5,511	95	48,125	311
Cuba . . . . .			3,466	46		
India . . . . .	4,297	57	6,217	10	2,182	4
United Kingdom . . . . .					10,082	200
United States . . . . .	584	1	145,374	2,716	40,596	1,602
Unenumerated, dressed—						
Total . . . . .	42,449	950	13,723	225	166,010	1,609
Bahamas . . . . .					90,000	957
British Guiana . . . . .	11,580	224				
Canada . . . . .			3,022	32	64,248	404
United States . . . . .	30,833	723	10,701	193	11,762	248
Creosoted piles—						
United States . . . . .				4,879		
Creosoted lumber, rough—						
United States . . . . .			73,005	1,392		

SPECIFICATIONS

Pitch pine, which at present comprises the bulk of the imports, is purchased in three grades, Nos. 1, 2, and 3. No. 1 grade is usually described as "long leaf yellow pine, 85 per cent and better heart, dry and bright, sound and

free from red heart"; No. 2 grade as "selected common long leaf yellow pine, sound, dry and bright, second-class quality"; No. 3 grade as "selected common long leaf yellow pine, sound, dry and bright, third-class quality." Although the long leaf variety is preferred, buyers here import a mixture of long and short leaf pine in the second grade, which they can buy at cheaper prices than the long leaf, but it is understood that the percentage of the short leaf variety is high.

The principal sizes imported are as follows (dimensions in inches):—

*Dressed Lumber.*—Flooring, 1 by 4, 1 by 6, 1½ by 6; ceiling, 1 by 6, ½ by 6; siding, 1 by 8; partitions, 1 by 8; boards, ½ by 12, 1 by 10, 1 by 12; battens, 1 by 2, 1 by 3, 1 by 4, 1 by 5, 1 by 6, 1 by 8.

It is estimated that between 70 and 80 per cent of the dressed lumber is made up of the following: Flooring, 1 by 6; ceiling, 1 by 6; siding, 1 by 8; partitions, 1 by 8; boards, 1 by 12.

*Rough Lumber.*—Scantlings, 2 by 2, 2 by 3, 2 by 4, 2 by 5, 2 by 6, 3 by 3, 3 by 4, 3 by 5, 3 by 6, 4 by 4, 4 by 5, 4 by 6, 5 by 5, 6 by 6; planks, 1½ by 8, 1½ by 8, 1½ by 10; 1½ by 12, 2 by 8, 2 by 10, 2 by 12, 3 by 8, 3 by 10, 3 by 12, 4 by 8, 4 by 10, 4 by 12; battens, 1 by 3, 1 by 4, 1 by 6, 1 by 8; boards, 1 by 10, 1 by 12.

In rough lumber the sizes chiefly used are the following: Scantlings, 2 by 3, 2 by 4, 3 by 3, 3 by 4, 4 by 4; planks, 2 by 8, 2 by 12; battens, 1 by 3, 1 by 4; boards, 1 by 12.

Probably 90 per cent of all the rough lumber imported is in the above-mentioned sizes.

#### SHIPPING SERVICES AND FREIGHT RATES

Lumber is carried to Jamaica from the Gulf Ports by three lines, namely, the Aluminum Line, the United Fruit Company, and J. S. Webster & Sons. The Aluminum Line operate a fortnightly service; the United Fruit Company maintain a weekly service; and Messrs. J. S. Webster & Son operate their own boats, carrying lumber chiefly for their own account.

The only regular service to Jamaica from the West Coast at present is the Gulf Pacific Line, calling at Kingston once a month. The Canadian Transport Company's boats call as cargo offers.

#### IMPORT DUTIES

Duties on lumber are at the rate of 6s. 9d. per 1,000 feet for rough and 10s. 6d. per 1,000 feet for dressed, under both preferential and general tariffs, plus 10 per cent ad valorem under the general tariff. The 10 per cent is assessed on the mill value of the lumber. There is also a package tax of 2s. per 1,000 feet. The average f.o.b. value of rough lumber imported from the United States in 1934 was about £4 per 1,000 feet or \$19.20 (figured at \$4.80 to the £1); and the average f.o.b. value of dressed about £4 7s. per 1,000 feet or \$20.88. The actual average preference therefore on rough lumber is about \$1.92 per 1,000 feet, and on dressed lumber \$2.08 per 1,000 feet.

#### UNLOADING FACILITIES

The lumber business in Jamaica is almost wholly in the hands of four firms. Each of these operates its own yard and accepts lumber for discharge at its own wharf. Ships calling at Kingston with lumber may, and in fact usually do, have parcels for each of these dealers, in which case the ship must go alongside each pier. For this reason the size of vessels discharging lumber at Kingston, should not be more than 5,000 or 6,000 tons gross, depending on the draft.

## PRICES AND TERMS

Recent prices per 1,000 feet on No. 2 pitch pine sold retail in Kingston are 19s. for size 1 inch by 12 inches and for all other sizes, 18s. Douglas fir in the same grades is sold at 1s. per 1,000 feet less than the above quotations. These prices are delivered at buyers' premises.

Customary terms are cash against documents, with a cash discount of 2 per cent.

## GOVERNMENT REQUIREMENTS

Considerable quantities of lumber are used by the Public Works Department, and moderate quantities by the Jamaica Government Railway. Neither of these government departments maintains a lumber yard and both depend on the local merchants for their supplies, except in the case of timber for some special purposes such as bridge timber or creosoted piles and timber, when importation may be effected direct by the department concerned. No figures are available as to the actual quantities used by the Government departments.

## GERMAN MARKET FOR CANADIAN LUMBER

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(Reichsmark 1 is approximately equal to Can.\$0.40)

Hamburg, June 16, 1936.—A review of recent trade in Canadian lumber to the German market reveals the notable fact that, while remaining at modest levels, this business has successfully resisted the influences which have caused drastic declines in sales to this country of many other commodities. It has been observed in reports on current Canadian trade with Germany that there has been a tendency for this to be limited to goods which are not readily procurable elsewhere. Canadian lumber has fallen into this particular category, and it is as a result of its inherent quality and of the sizes available that imports from the Dominion have continued and will, it is hoped, persist at present or improved levels.

## GERMAN FOREST RESOURCES

Germany is itself a well-forested country, it being estimated that an area of 12.6 million hectares (approximately 31 million acres) is at present covered with forest growth, this comprising over one-quarter of the total area. The proportion is surprisingly large for a country possessing such large and highly developed agricultural and manufacturing industries. No accurate estimate of the volume of standing timber is obtainable although, in this regard, it may be said that some 68 per cent of the total forest area is covered by coniferous trees (*pinus silvestris* 43 per cent and *picea excelsa* 25 per cent), the remainder being beech and other hardwood forests.

These forests cover a large proportion of the central and southern parts of the country. The Central German forest area extends from Thuringia through Hessen-Nassau and South Westphalia, while there are also distinct and substantial forests in South East Prussia, North Brandenburg, South Mecklenburg, the Harz Mountains, the Black Forest, and along the Bavarian border.

Some 43 per cent of the country's forest resources are estimated to be privately owned, while approximately 37 per cent are owned by the state. The remaining 20 per cent is largely held by municipal or other authorities with a small proportion owned by endowments and syndicates.

## AFFORESTATION IN GERMANY

Germany was one of the first countries to develop a policy and institute the practice of afforestation. Some 150 years ago, in the time of Frederick the

Great, the utilization of waste land for tree production and the systematic replacement of cut-over areas was commenced, while the Forest Academy of Eberswalde was founded as long ago as 1830. The enlargement and systematic prosecution of afforestation schemes have resulted in Germany being much less dependent on foreign sources of supply of lumber than might normally be expected and have, at the same time, sustained an extensive industry concerned with production and utilization of all forest products.

### CONSUMPTION

It is difficult to estimate with any degree of accuracy the volume of lumber consumed in Germany during an average year. The cut in state forests in normal times is some 2.5 cubic metres per hectare, but has of late exceeded this figure and total annual fellings in all forests may now be counted as amounting to some 1,500,000,000 cubic feet. When the substantial surplus of imports over exports, typical of Germany's overseas trade in lumber, is added to this figure, an approximate total consumption for an average year of 2,000,000,000 cubic feet is obtained.

Reference to the preceding section on forest resources will indicate, roughly, the proportion of soft and hard woods in current use in the German market. This is given added evidence in later figures of import trade. Much of the domestic production is taken into use as pulp-wood, fire-wood, poles, pit props and for allied purposes, the spruce and pine forests being of a type from which the cut is frequently unsuitable for construction or other use where strength and large dimensions are essential.

### THE IMPORT MARKET

There are analysed below the more important aspects of the market in Germany for imported lumber.

#### MARKET EXTENT

German methods of statistical compilation render it difficult to prepare a precise statement on the import trade in foreign lumber. The unit of measurement is 100 kilograms, while that of value is, of course, the reichsmark. The former is of comparatively small value for analytical purposes since the weights of a teakwood log and a shipment of shingles might, after all, be more or less the same whereas the cubic content and value would vary considerably. It appears desirable, for this reason, to base the conclusions which will follow on the values shown in German trade returns, these being converted into Canadian equivalents at current rates.

It is necessary also to mention in this regard that German classification of lumber imports is, in cases, based on tree types and the precise form in which the lumber is imported. These distinctions have been disregarded as far as possible and the items involved grouped with others more comparable with Canadian standards.

Total imports into Germany of logs and lumber during the calendar year 1935 amounted in value to R.M.150,853,000 (Can.\$60,341,200). Of this sum, logs represent a value of R.M.64,768,000, hewn lumber R.M.1,533,000, rough-sawn lumber R.M.75,121,000, finished lumber R.M.171,000, and miscellaneous grades such as shooks, etc., R.M.9,260,000. The 1935 total is some R.M.16,000,000 larger than that for 1934, a point which, in times when German imports have shown heavy declines, reflects the keenness of current demand as well as the large capacity of the market.

## ORIGIN OF IMPORTS

It will be readily apparent that Germany's extensive import trade in logs and lumber must be dependent on varied sources of supply. In the case of rough logs, for example, the principal countries of origin of imports are Czechoslovakia, French West Africa, Spain, Poland, Austria, Latvia, and the Soviet Union. Hewn lumber is purchased mainly from Finland, Spain, France, Greece, French West Africa, and even from Japan. Rough-sawn lumber, the largest group of such imports from a standpoint of value, originates principally in the Soviet Union, Finland, Roumania, Sweden, the United States, and Poland. Other types are imported from innumerable sources, but the bulk of the trade is naturally in the hands of adjacent or nearby countries where substantial resources are available and whence transportation charges are low.

## PRINCIPAL TYPES OF LUMBER IMPORTS

A complementary feature of the lumber market to that of origins is the types of lumber concerned. In this regard also German methods of statistical and tariff classification and nomenclature render it difficult to give a precise analysis of the import market. Hardwoods, as so described in the German tariff and trade returns, are imported in comparatively small amounts, although there is a fairly substantial import of so-called "soft" woods of deciduous trees which comprises such types as birch and maple. The largest single item among all imports, in so far as type is concerned, is that of lumber from coniferous trees, the proportion of the value of this group to total 1935 values for logs and rough-sawn lumber being in excess of 54 per cent and 86 per cent respectively.

## CENSUS OF TRADE AND CONSUMPTION

The ports of Hamburg, Bremen, and Rotterdam are the main centres at which Germany's import trade in lumber is handled. Of the three, Hamburg is the most important. These ports are, of course, primarily concerned with imports from overseas, the substantial business from Czechoslovakia and other adjacent countries passing through various frontier ports both by rail and water.

Delimitation of centres or areas of consumption can be made on a rough basis only. Considerable quantities of Douglas fir are used, for example, in shipyards in Hamburg, Kiel, and Bremen. The veneer industry, which is distributed throughout the country, uses much of the hardwood imports. The furniture industry, centred in Brandenburg, Westphalia, and Saxony, also consumes large amounts of wood imports of hard and soft types.

## ORGANIZATION OF THE IMPORT TRADE

The organization of the import lumber trade is one wherein, in general, two main types of firms are concerned. There is, in the first place, the agent who represents and deals with overseas export firms and, on occasions, arranges or assists in the financing of import orders. Secondly, there is the importer on whose account orders are placed by the agent and who handles the transactions from the time the lumber is unloaded from the vessel. In a port such as Hamburg, where transshipment trade is of importance, the agent will generally prefer to operate solely in this capacity. Direct purchases by importers or large consumers are still possible although of comparatively infrequent occurrence.

## EFFECT OF CURRENCY AND TRADE REGULATIONS

German government regulations which have for several years restricted the free export of foreign exchange and progressively limited all import trade have had a damaging effect on the local lumber market. As noted in the introduction

of this report, Canadian trade in lumber has been affected to a less serious degree than in the case of many other commodities, but Canada has, in this instance, been more fortunate than many other countries whose supplies of lumber have not been found essential to current economic requirements or for which substitutes of local production have been found. Even in present circumstances, when special permits for the import of Canadian lumber and payment in foreign exchange can be obtained, considerable delays are involved and the variety of the business has been severely restricted.

With the institution by the German Government, some eighteen months ago, of a system of barter trade with foreign countries with which no other means of transacting business had been arranged, Canadian lumber could, in theory at least, be brought into this market, in exchange for Canadian purchases of German goods, at an average ratio of 1 : 1·3. Regulations issued on December 27, 1935, altered the ratio to 1 : 3, but a recent amendment to these, dated May 14 of this year, specifies Douglas fir logs, rough-hewn and rough-sawn lumber, as "essentials" and henceforth as included in the 1 : 1 barter list. Importers will accordingly be able to purchase these types of lumber when in a position to produce evidence of sales of German goods to Canada equal in value to that of contemplated imports.

#### IMPORT TARIFF

The German import tariff on logs and lumber provides for duties to be levied on a basis of wheat or cubic measure in practically all instances. The importer is at liberty to choose between the two alternatives. There are numerous classifications covering types and conditions, from that of ordinary hardwood logs of oak, beech, maple, and similar trees, dutiable at R.M.0·12 per 100 kilograms (Can.\$0·048 per 220 pounds) or R.M.1·08 per cubic metre (Can.\$0·43 per 424 feet b.m.) to box shooks and similar semi-finished or finished wood products. The principal types of imports from Canada, birch and Douglas fir logs and rough-sawn Douglas fir lumber, are dutiable as follows:—

		R.M.
Logs of "soft" deciduous trees . . . . .	per 100 kg.	0.12
	per cubic metre	0.72
Logs of coniferous trees not less than 27 centimetres thick at the thinner end, intended for the manufacture of veneer or plywood at the importers' own factories under customs supervision . . . . .	per 100 kg.	0.12
	per cubic metre	0.72
Logs of coniferous trees, other . . . . .	per 100 kg.	0.40
	per cubic metre	2.40
Rough-sawn lumber . . . . .	per 100 kg.	2.50
	per cubic metre	15.00

The option available to the importer with respect to the basis on which duty is to be assessed is of considerable value. It is customary, in the case of logs, to elect for assessment on a weight basis, while the choice, in so far as sawn lumber is concerned, depends on the type and condition of shipments. If the wood is wet, assessment is preferred on a measurement basis, while if dry the weight basis will usually be chosen.

There are practically no tariff items under which the advantages of conventional rather than general rates are available. Such instances occur only in the case of wood of specified types and dimensions for the manufacture of musical instruments, railway sleepers of larch, and wood paving blocks, none of which are ordinarily exported from Canada to this market. All items included in recent trade from Canada have, accordingly, been dutiable at general tariff rates.

## IMPORTS FROM CANADA

As previously mentioned, Canadian lumber trade with Germany has of recent years been of modest dimensions, but has been maintained, all things considered, at satisfactory levels. A comparison of the value of the trade during recent years can be made only on a basis of that in such items as have been referred to in preceding sections of this report, e.g., logs, rough-hewn, rough and finished lumber, and exclusive of various small items of infrequent occurrence. Such a compilation, for the years 1930 to 1935, is given herewith:—

*German Imports of Canadian Lumber, 1930-35*

(NOTE.—Imports of logs and lumber only; conversion to Canadian dollars at approximate rates)

Year		
1930	R.M.953,000	\$235,000
1931	743,000	175,000
1932	455,000	120,000
1933	296,000	100,000
1934	261,000	100,000
1935	252,000	101,000

There is the usual discrepancy between these German data and the Canadian figures of lumber exports to this market. The latter, using the total value of "unmanufactured and partly manufactured wood," are considerably less than those tabulated above, amounting, for example, to \$28,642, \$65,343, and \$67,500 for the fiscal years ending March 31, 1933, 1934, and 1935 respectively. This is to be accounted for largely by the export of lumber to this market via Rotterdam, the value of such trade being credited to Holland while, in the case of this commodity at least, shipments to German ports are largely for consumption within the country and not, as in some other instances, for transshipment to other continental markets.

Canadian statistics are, however, of interest in that they define much more precisely than the German the types of lumber comprised in this trade. Douglas fir logs are of predominant importance and have made up some two-thirds of the value of all such business during recent years. Hardwood logs, principally birch for the manufacture of veneers, are an item of interest, although the value of such exports has been small. There is a limited trade as well in spruce planks and boards. Square Douglas fir timber, miscellaneous hardwood planks and boards, and square hardwood timber have also figured in the trade, although returns for recent years show such business to have been of small dimensions only. There is a further item of "miscellaneous sawmill and planing mill products" which, during the fiscal year 1934 particularly, was of substantial importance. It is assumed to have comprised, for the most part, birch and maple flooring.

## PRESENT POSITION AND OUTLOOK

Despite the fact that Canadian lumber exports to Germany have been maintained much more satisfactorily than those of many other commodities, the business is still of limited extent and the share of the market an extremely small one. As long as it is necessary to compete not only with suppliers who are more advantageously situated but also with countries which, through trading, payment, or similar agreements, enjoy greater access to the market, there is small hope of an improvement in the present position. A related point which also merits consideration is the evident tendency of the German Government to substitute goods of domestic production for those which have customarily been imported from abroad. It is nevertheless believed that, despite possible contraction in this trade for a time, it will persist and may again attain former levels. The qualities and sizes of Canadian supplies and the efficiency of the Canadian lumber export trade will be the prime factors in any such development.

## PRELIMINARY CROP REPORTS FOR NORWAY AND SWEDEN

RICHARD GREW, CANADIAN TRADE COMMISSIONER

### NORWAY

Oslo, June 16, 1936.—The first report of the Director of the Norwegian Department of Agriculture on crop prospects at the end of May has just been issued. As there had been unusually large quantities of snow during the winter, a late spring was expected. During the beginning of May, however, a warm period set in and the spring seeding could take place at the usual time throughout the country. While the weather was exceptionally dry throughout May, particularly in the western parts of Norway, the few days' rainfall at the end of the month saved the situation from becoming critical.

On the whole, the crop prospects at the end of May are described as being satisfactory, and the pasture fields and winter crops have both wintered well. The cultivated fields had a good start, but growth has now been somewhat retarded on account of the prolonged drought, while the natural pasture fields are not yet sufficiently developed to afford adequate grazing ground for cattle. As far as the root crops are concerned, the conditions have been somewhat unfavourable, partly owing to the drought and partly to the prevalence of the flea-beetle, and in many districts the root crops have had to be resown. The fruit trees have blossomed under favourable conditions throughout the country, but while the stone fruits have had a rich flowering, in the case of apples and pears it has been somewhat uneven. Nothing unusual is reported as regards damage caused by noxious insects.

### SWEDEN

The preliminary crop report issued by the Swedish Central Bureau of Statistics states that during the spring the weather conditions have on the whole been fairly favourable, being about normal during April as regards both temperature and rainfall, while May was exceptionally warm and the rainfall was very unevenly distributed throughout the country. During the autumn of 1935 the exceptionally wet weather delayed the sowing of the autumn grain which, however, appears to have wintered fairly well, especially in the southern districts, although in some parts the autumn grain has had to be resown, this particularly being the case with rye. The crop prospects for autumn-sown wheat, based on the average for the whole country, are described as "medium," and for autumn-sown rye as "somewhat below medium."

The pasture lands are, on the whole, promising in the case of both cultivated and natural fields, although the dry weather during the early part of the summer has resulted in somewhat uneven growth in certain districts. The crop prospects for pasture lands for the whole country are reported to be "slightly above medium."

## RAYON PRODUCTION IN JAPAN

The output of rayon by members of the Japan Rayon Association during March was 20,106,630 pounds against 18,514,630 pounds in February and 14,315,360 pounds in March last year. The production constitutes a record, but it has not all gone into consumption, as under the curtailment regulations now in force 1,753,500 pounds is deposited in "joint storage" as surety for the sealing of spindles.

SUMMARY OF THE TRADE OF CANADA: MONTH, FIVE MONTHS, AND TWELVE MONTHS ENDING MAY, 1936  
(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of May, 1936			Five Months ending May, 1936			Twelve Months ending May, 1936		
	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Imports for consumption</i>									
Agricultural and Vegetable Products.....	12,327,570	1,739,398	3,373,817	42,923,060	6,588,748	14,422,260	110,587,227	18,140,584	31,090,640
Animals and Animal Products.....	2,179,506	296,496	1,158,371	11,013,775	1,693,586	5,687,159	24,591,051	3,850,032	11,225,454
Fibres, Textiles and Textile Products.....	7,867,000	3,506,090	2,563,766	40,445,686	18,306,055	18,980,120	91,993,845	4,067,072	32,783,504
Wood, Wood Products and Paper.....	2,199,167	200,690	1,721,919	10,161,062	1,197,865	8,987,075	33,816,655	3,463,064	13,782,724
Iron and its Products.....	4,350,705	7,775,642	11,081,543	54,982,417	7,274,485	46,110,823	118,029,575	21,069,210	92,236,224
Non-Ferrous Metals and their Products.....	3,591,523	2,498,183	4,978,111	14,163,512	2,037,000	10,437,000	34,532,045	5,107,430	27,268,423
Non-Ferrous Minerals and their Products.....	10,286,661	7,077,072	7,077,072	37,846,925	4,000,871	27,577,827	106,164,096	13,400,360	78,471,138
Chemicals and Allied Products.....	3,201,303	658,685	1,876,523	12,105,766	2,431,949	7,298,998	30,189,418	6,476,133	17,514,453
Miscellaneous Commodities.....	3,117,306	475,453	2,208,537	12,544,388	2,223,699	8,734,687	32,381,791	6,251,885	21,106,413
Total Imports, 1936.....	59,120,840	12,032,372	33,560,370	236,206,611	45,768,928	144,839,840	572,880,458	119,291,720	327,506,458
1935.....	54,539,747	12,558,640	28,256,208	213,640,704	43,147,283	129,749,705	525,906,243	112,551,659	303,554,985
1934.....	52,886,861	12,029,705	30,064,776	201,203,958	43,981,608	119,976,313	498,116,000	110,367,271	290,215,482
Total Exports.....	\$	To United Kingdom	To United States	Total Exports	To United Kingdom	To United States	Total Exports	To United Kingdom	To United States
<i>Exports (Canadian Produce)</i>									
Agricultural and Vegetable Products.....	20,345,752	16,775,395	3,976,140	92,604,035	59,712,336	14,858,698	256,174,167	160,373,063	45,113,822
Animals and Animal Products.....	9,785,461	4,053,208	4,075,821	46,516,162	22,200,244	20,620,180	104,852,042	56,156,024	36,370,406
Fibres, Textiles and Textile Products.....	1,049,926	2,927,626	11,889,183	4,041,208	921,449	823,077	104,575,564	2,306,055	32,723,895
Wood, Wood Products and Paper.....	16,970,877	4,729,324	6,181,114	72,432,700	9,600,723	50,957,346	186,732,368	29,066,226	128,456,710
Iron and its Products.....	4,744,566	7,412,917	5,234,612	61,632,362	5,115,593	2,388,719	500,004,823	10,481,250	127,717,443
Non-Ferrous Metals and their Products.....	16,031,954	7,122,343	1,037,049	82,609,414	30,705,777	39,588,176	213,704,891	63,900,063	122,600,333
Non-Ferrous Minerals and their Products.....	1,697,797	423,500	846,384	7,435,701	748,204	3,273,469	19,704,097	2,258,163	17,080,333
Chemicals and Allied Products.....	1,784,865	423,500	846,384	7,632,443	1,435,903	3,889,500	13,555,947	3,371,620	7,661,441
Miscellaneous Commodities.....	1,536,553	612,851	710,825	5,063,206	1,923,631	3,068,769	13,287,402	3,271,620	7,704,515
Totals, 1936.....	83,819,751	24,253,232	28,546,770	340,627,291	125,262,865	140,373,858	877,461,885	333,248,837	388,669,875
1935.....	65,498,251	24,454,263	26,007,920	288,449,590	98,011,050	130,658,719	704,334,046	282,367,139	310,569,773
1934.....	66,301,511	26,116,182	26,104,497	282,740,115	103,798,465	120,652,555	702,618,065	301,812,413	289,363,800
<i>Exports (Foreign Produce)</i>									
Totals, 1936.....	695,715	103,110	525,569	3,976,324	387,275	3,311,254	13,110,124	899,130	11,469,859
1935.....	846,621	107,600	678,932	3,953,145	369,567	3,376,116	8,117,673	783,500	6,672,072
1934.....	643,948	124,055	448,846	2,823,264	389,765	2,154,630	6,587,512	766,063	5,113,100
<i>Excess of Imports (i) or All Exports (e)</i>									
Totals, 1936.....	(e) 25,394,626	(e) 22,323,967	(i) 4,488,022	(e) 108,397,004	(e) 79,881,355	(i) 1,154,737	(e) 217,691,551	(e) 214,856,258	(e) 52,903,112
1935.....	(e) 11,805,125	(e) 13,263,214	(i) 1,559,356	(e) 78,733,091	(e) 56,006,232	(e) 3,630,046	(e) 240,566,076	(e) 180,378,380	(e) 13,627,550
1934.....	(e) 14,558,598	(e) 14,210,532	(i) 3,311,433	(e) 84,358,321	(e) 60,206,622	(e) 2,861,072	(e) 241,089,533	(e) 192,211,207	(i) 15,114,076

FOREIGN TRADE OF EGYPT, 1935<sup>1</sup>

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

IV. Imports—*Continued*

(One Egyptian pound (£E) at par equals \$4.99; the Egyptian currency and sterling have a fixed ratio, one pound sterling being equivalent to 975 millimes or £E0.975.)

## WOOD PRODUCTS

## WOOD

*Round Timber.*—Imports of round rough timber up to 30 inches in circumference totalled 2,848 metric tons valued at £E14,807. Imports of poles over 70 centimetres circumference totalled 7,528 tons valued at £E9,026.

*Railway Ties.*—There were 20,624 metric tons of railway sleepers imported, valued at £E79,147. Turkey supplied about half of these imports. In 1934 imports totalled 16,952 tons.

*Sawn Timber, Rough.*—The trade returns classify squared or sawn timber in three categories: (a) of a thickness of over 50 millimetres (about 2 inches), this being subdivided into two groups, (1) fileri and (2) other than fileri; (b) 50 mm. or less. The term fileri is applied to pine beams over 2 inches thick, which taper off from one end to the other and are mainly used in the roofing of the cheaper kinds of Egyptian dwellings. Imports of fileri totalled 85,437 metric tons valued at £E256,576. This quantity is practically the same as for 1934. The main sources of supply are Russia and Finland.

The following table shows the quantity and value of sawn timber imports in 1935, together with the principal sources of supply (fileri not included):—

Origin	Over 50 Mm.		50 Mm. or Less	
	M. Tons	£E	M. Tons	£E
Sweden . . . . .	16,273	74,133	7,850	36,299
Finland . . . . .	4,046	16,540	1,858	7,914
U.S.S.R. . . . .	13,324	69,038	48,943	207,134
Roumania . . . . .	8,094	33,111	57,814	234,696
Yugoslavia . . . . .	3,864	20,142	2,168	11,599
United States . . . . .	2,766	20,072	1,041	6,733
Other . . . . .	1,714	15,169	625	4,746
Total (1935) . . . . .	50,081	248,360	120,299	509,121
Total (1934) . . . . .	59,308	286,847	138,085	573,402

Imports from the United States are chiefly pitch pine and redwood.

*Sawn Timber, Planed.*—Imports of planed, tongued, and grooved timber amounted to 849 tons valued at £E11,263.

*Veneer.*—Imports of veneer and plywood are subdivided into two groups: (a) plywood cut into sheets and destined to be glued to sheets of another species, and (b) two or three plywood, consisting of two or three sheets glued together for use in making chair seats and so forth. Imports under the first category were about the same as in 1934 and totalled 3,978 metric tons (£E53,748), while the second item shows an increase from 133 tons (£E9,574) to 240 tons (£E15,671).

This demand is supplied by Europe, chiefly Poland and Russia.

*Furniture.*—Imports of wooden furniture were as follows: of bentwood £E13,657, including chiefly chairs (£E11,815); other than bentwood (a) neither carved nor decorated (£E2,779); (b) carved or decorated (£E523); waxed, varnished, etc. (£E16,398). Imports of upholstered or covered furniture of all kinds totalled £E3,847. Imports of chair seats and backs, veneered or three-ply, were valued at £E1,868.

There are numerous small furniture-making establishments in Egypt.

*Other Woodenware.*—Other items of interest in the 1935 imports are: reels and bobbins for thread, spinning, and weaving, £E19,627; wooden handles for tools, £E957; boot and shoe trees, £E1,067; household utensils and similar goods, £E2,142; wooden heels and soles, £E1,196.

<sup>1</sup> The first section of this report, which deals with the trade of Egypt in general terms, was published in No. 1689; the second, on imports of food, beverages and tobacco, in No. 1690; and the third, on imports of mineral products, chemicals, and leather and rubber, in No. 1691.

## PAPER

In 1935 there were 83 tons of pulp imported into Egypt for paper-making, valued at £E555, while waste paper and scrap imports totalled 916 tons valued at £E2,332.

Egypt's only paper mill is located at Alexandria and produces cardboard for making cigarette boxes.

*Newsprint.*—Total imports of newsprint paper were 55 per cent greater by weight than in 1934 and amounted to 10,771 metric tons valued at £E82,735. The principal sources of supply were Finland (6,035 tons), Sweden (2,387), Norway (974), Germany (339), and Austria (310 tons).

*Packing Paper.*—Imports of common packing paper, weighing from 35 to 300 grams per square metre, including coloured or varnished, increased from 13,921 metric tons in 1934 (£E131,717) to 15,665 tons (£E147,069). The main imports were from Sweden (4,322 tons), Germany (4,026), Holland (2,627), Finland (1,347), Belgium (1,000), Austria (697), and Denmark (453 tons).

Imports of greaseproof, crystal, and similar paper for packing increased from 193 tons (£E4,857) in 1934 to 239 tons (£E6,315).

*Wallpaper.*—Imports of wallpaper totalled £E2,569 as against £E4,817 in 1934. The demand for this commodity is small and is filled entirely from abroad.

*Paper-board.*—Insulating board is included in the Egyptian trade returns under the heading of paper and board, of pressed fibres for walls. Imports increased from 121 tons valued at £E1,947 in 1934 to 227 metric tons (£3,518).

*Toilet Paper.*—Imports of toilet paper amounted to 208 metric tons (£E6,645). This commodity is supplied chiefly by the United States.

*Printed Matter.*—Apart from books, newspapers, and periodicals, imports of printed or coloured matter of all kinds during 1935 totalled £E34,155. This total includes: postcards, £E3,309; labels and railway tickets, £E3,105; engravings, photogravures, pictures, etc., stamped or printed (a) unicoloured £E1,585, (b) of two or more colours £E12,325; calendars, £E1,257; non-specified printed matter (a) unicoloured £E9,562, (b) in two or more colours £E2,652. The local printing industry is encouraged by tariff measures.

*Carbon Paper.*—Imports of carbon paper totalled 37 metric tons valued at £E6,422.

*Bags and Boxes.*—Imports of bags and boxes, entirely of paper, weighing 200 grams or over per square metre, were valued at £E244; under 200 grams, £E1,629; exclusively of cardboard, £E4,075. The local industry is protected by the customs tariff.

## TEXTILE PRODUCTS

Imports of textile products during 1935 amounted to £E8,082,930 in value. Silk and rayon goods totalled £E1,191,098; woollen goods, £E1,033,255; cotton products, £E4,180,972; flax, hemp, jute, and ramie, chiefly linen and jute fabrics, £E269,635; ready-made clothing and apparel, £E307,062; hosiery, £E419,506; jute sacks, £E465,178; cordage and miscellaneous technical fabrics, £E212,964.

The local silk and cotton industries are protected by the tariff.

## SILK

*Yarn.*—Imports of raw natural silk, in hanks or skeins, decreased from 322,595 kilos (£E144,625) in 1934 to 297,029 kilos (£E135,672) in 1935. China supplied most of last year's imports (152,622 kilos), followed by Japan (77,963 kilos). Imports of natural silk, worked or thrown, in hanks or skeins, amounted to £E14,717.

Imports of artificial silk yarn, not dyed, decreased from 697,690 kilos valued at £E92,467 in 1934 to 659,403 kilos (£E73,298) in 1935. This trade is mostly in the hands of Japan and Italy. There were also 217,011 kilos of dyed artificial silk imported last year, valued at £E26,765.

*Fabrics.*—Imports of woven fabrics of pure natural silk, which amounted to £E285,996 in 1934, decreased to £E237,048. Japan has over 80 per cent of this trade.

Imports of fabrics and velvets made of pure artificial silk increased from £E512,025 in 1934 to £E543,128, of which Japan supplied 76 per cent.

## WOOL

*Carpets.*—Imports of woollen carpets were valued at £E87,668, mostly from Persia, the United Kingdom, and Turkey.

*Fabrics.*—Imports of pure wool and hair fabrics decreased from £E623,276 in 1934 to £E596,145. The United Kingdom supplied about half the demand, which is mostly in fabrics weighing from 200 to 350 grams per square metre. Imports of wool fabrics with cotton warp were valued at £E62,975.

Imports of other wool fabrics mixed with a textile other than silk totalled £E180,236.

## COTTON

The local manufacture of cotton yarns and fabrics of the coarser qualities is increasing. Imports of raw cotton from India and elsewhere being prohibited, the local mills use the

lower grade of Egyptian cotton for spinning. Considerable protection has been given local production by means of customs duties, but imports from Japan have continued to provide serious competition both for local- and foreign-made fabrics.

*Yarn and Thread.*—There were no imports of single unbleached yarn of pure cotton up to 12 counts in 1935. In the 13 to 24 counts, imports in 1935 amounted to 31,386 kilos (£E3,947). Imports of single bleached yarn were practically nil for all counts. There were only 1,474 kilograms (£E291) of dyed singles imported, these being 13 to 24 counts.

Imports of folded unbleached yarn of pure cotton during 1935 totalled 528,206 kilos valued at £E52,227, mostly 13-24 counts from Italy and India. Imports of folded, bleached yarns totalled 6,713 kilos valued at £E916, chiefly 37 counts and over.

Imports of pure cotton thread on reels, for retail sale, were valued at £E174,744, of which the United Kingdom supplied about half. Imports of thread not on reels, put up for retail sale, were valued at £E44,436, of which the United Kingdom supplied about 40 per cent.

*Fabrics.*—Imports of piece-goods of pure cotton in 1935 were as follows: unbleached, £E405,504; bleached, £E570,262; dyed in the piece, £E561,083; dyed in the yarn, £E749,162; and printed fabrics, £E930,086.

Japan supplied nearly 70 per cent of the total imports, followed by the United Kingdom with 18 per cent.

Imports of cotton fabrics mixed with natural silk amounted to £E7,311, while fabrics mixed with artificial silk totalled £E248,910.

#### FLAX, HEMP, JUTE

*Yarns.*—Imports of flax yarn in 1935 were valued at £E12,041, mostly bleached singles of medium-sized counts. Imports of flax thread, put up for retail sale, amounted to £E4,850.

Imports of hemp and ramie yarns (mostly unbleached) were valued at £E2,530; hemp and ramie thread, put up for retail sale, £E12,020; jute yarn, folded, unbleached, £E4,526.

*Fabrics.*—Imports of pure linen fabrics were valued at £E54,700. Hemp and ramie fabrics totalled £E9,845.

Imports of pure jute fabrics were valued at £E116,076, almost entirely supplied by India. Jute sacks of all kinds totalled £E465,178, mostly for packing cotton and seeds.

#### CORDAGE AND LINOLEUM

Imports of cordage over 10 millimetres in thickness were valued at £E21,803 in 1935 and £E11,329 for sizes over 5 and up to 10 millimetres; twine and cordage over 2 mm. and up to 5 mm. in thickness totalled £E3,635.

Imports of flax twine, up to 2 mm. in thickness, were valued at £E133, and hemp and ramie twine of the same thickness at £E16,505.

Linoleum imports totalled 165,486 kilos (£E7,836); pegamoid (£E5,332); waxed cloth (£E15,745).

#### HOSIERY

Imports of hosiery of all kinds during 1935 totalled £E419,506 compared with £E447,937 in 1934. A good demand has been established for Canadian stockings made of natural silk.

Imports of socks and stockings of pure natural silk totalled £E20,850, of which the United States supplied £E9,747 and Germany £E3,506. Imports of the same article containing over 15 per cent of natural silk, mixed with other materials, totalled £E7,864; and of pure artificial silk, £E17,843. This last category was supplied chiefly by Germany (£E8,907) and Czechoslovakia (£E7,244). Socks and stockings of over 15 per cent artificial silk, mixed with other materials, were valued at £E7,865, of which Germany supplied £E4,013.

Imports of other articles and fabrics of pure natural silk totalled £E398; of pure artificial silk, £E33,938. For this latter category Germany is credited with £E13,552 and Czechoslovakia with £E7,212.

Imports of socks and stockings of wool, pure or mixed, totalled £E12,134, of which the United Kingdom supplied £E10,370. Other articles and hosiery fabrics of cotton, pure or mixed, totalled £E147,870, mainly from Japan (£E78,520).

#### CLOTHING AND OTHER READY-MADE ARTICLES

Imports of ready-made woollen clothing in 1935 amounted to £E38,650; cotton, £E13,884; natural silk, £E14,953; and artificial silk clothing, £E28,917.

Imports of underclothing, ready-made, of cotton were valued at £E14,182 (France £E2,385, United Kingdom £E3,441, Czechoslovakia £E2,441); of natural silk, £E1,317; artificial silk, £E4,738.

Imports of household linen made of cotton amounted to £E26,449; natural silk, £E323; artificial silk, £E1,511; and flax, £E12,209.

*Blankets.*—Imports of woollen blankets and coverlets were valued at £E33,578 and were supplied chiefly by the United Kingdom (£E18,773) and Tunis (£E4,984).

Imports of cotton blankets and coverlets totalled £E7,640.

## ECONOMIC CONDITIONS IN BRAZIL IN 1935

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, June 2, 1936.—Both economically and politically, the year 1935 in Brazil was one of uncertainty and restlessness. It opened with the culmination of the long-expressed intention to return to a free currency basis.

When free exchange was made available for imports entered into consumption after February 11, accounts for goods imported previously and not yet paid for were blocked, and as a result agreements were made by several of the creditor countries to liquidate these accounts. The most important of these were the frozen debt agreements with the United States and Great Britain which were still pending at the close of the year.

Internally there was greater restiveness than in 1934, and during December a series of uprisings took place in widely separated parts of the country, which were speedily suppressed. Business generally has continued to expand, and domestic industries are in a prosperous condition. The Christmas retail trade was one of the best for many years, and it is of significance that much of this business was done on a cash basis instead of on credit or instalment plan.

### EXTERNAL TRADE

In terms of Brazilian currency there has been an increase of 901,724 contos of reis in the value of the external trade of the country—6,155,430 in 1934 to 7,057,154 in 1935. The dollar value shows a decrease amounting to \$174,358—\$494,344,870 in 1934 to \$494,170,512 in 1935. This is due mainly to the further depreciation of Brazilian currency, and to the continued and in many instances increased depression of world prices for Brazilian export commodities.

Imports show a marked increase in both local and dollar currency values. In Brazilian currency the increase is 1,353,136 contos—from 2,502,785 contos in 1934 to 3,855,921 contos in 1935. Dollar values show an increase of \$17,258,141—from \$207,737,756 in 1934 to \$224,795,897 in 1935.

On the other hand, exports, while showing an increase in terms of Brazilian currency, have fallen off in terms of dollars. Export values in 1934 were 5,961,791 contos in 1934 and 7,959,929 contos in 1935, an increase of 1,998,135 contos. Dollar values fell from \$286,607,114 to \$269,374,615 in 1935, a decrease of \$17,232,499.

The most significant feature of these figures is that the favourable balance of trade was one of the lowest in the history of Brazil—\$44,578,718 as against \$78,869,358 in 1934.

### FEDERAL FINANCES

According to a report of the Minister of Finance, the policy of retrenchment embarked upon by the Government has met with considerable success. The budgeted income for 1935 was 2,169,577 and expenditure 2,675,654 contos of reis, a deficit of 506,077 contos of reis. Additional credits during the year for extra-budgetary expenditure were authorized which, if savings had not been made in the budgeted expenditure or income increased, would have meant a total deficit of 1,100,977 contos of reis. Income, however, exceeded estimates by 553,116 contos of reis, while actual budgeted expenditure amounted to 1,323,367 contos of reis, which brings the total actual deficit to 149,380 contos of reis. After deducting from the total deficit an amount represented by financial operations, the total uncovered deficit for 1935 was 104,870 contos of reis.

The 1936 budget anticipated a deficit of 356,147 contos of reis, with both income and expenditure considerably increased. Income is budgeted at

2,537,000 contos of reis as against 2,169,000 contos of reis in 1935, while expenditure is increased from 2,691,000 contos of reis to 2,893,000 contos of reis. The President, however, vetoed expenditures totalling 38,880 contos of reis, which brings the actual budgeted deficit to 317,267 contos of reis.

Exchange control in Brazil and external payments were the subject of a report in last week's issue of the *Commercial Intelligence Journal* (No. 1690).

### EXTERNAL DEBT

During 1935 bonds representing the external federal debt amounting in value to £659,493, \$1,863,400, and 7,645,250 francs were redeemed. The external debt service continued to be met promptly during the year despite the difficulty of obtaining foreign exchange; the favourable balance of trade was only £5,500,000 gold.

External debts of the Federal Government have increased by less than £20,000,000 sterling during the past six years. In 1930 the total was £140,840,000 as against £159,359,000 in 1935.

The various external debts of the States of Brazil have decreased from £86,213,000 in 1930 to £76,288,000 in 1935.

### BANKING AND FINANCE

#### BANKING

Note circulation in Brazil showed an increase in 1935. As on December 31 the total notes in circulation amounted to 3,612,342 contos of reis as against 3,157,373 contos of reis on the same date of 1934. This represents a maximum total for the note issue.

The annual report of the Bank of Brazil reflects the continued internal prosperity of the country. In 1935 deposits decreased to 2,689,000 as against 2,875,000 contos of reis in 1934, while loans and discounts increased from 2,845,000 to 3,075,000 contos of reis, or, on the basis of the index of 1929, deposits decreased from 187 to 174, while loans and discounts increased from 234 to 253.

In 1935 the cheques cleared by the Bank of Brazil were valued at 22,000,000 contos of reis as against 19,000,000 contos in 1934. In actual number of transactions there has been an increase from 87,000 to 101,000 during the year. Taken on the index basis of 1929 equal to 100, the growth from 1922 has been from 49 to 134. With the exception of 1934, when the index was 118, the highest previous year was 1928 with an index of 112.

#### STOCK EXCHANGE TRANSACTIONS

The total transactions of the stock exchanges of Rio de Janeiro, São Paulo and Victoria show a slight falling off from 1934; the monthly average of the turnover in 1935 was 43,454 contos of reis as against 43,833 contos in 1934. The decrease was entirely due to a falling off in the sales of stocks and shares, which dropped from 6,029 contos of reis to 5,449 contos, whereas bonds and debentures rose from 37,804 contos to 38,005 contos. The increase in bonds was fairly well divided between Government and private securities. In Government securities the increase was in federal issues; both state and municipal securities fell off considerably. The total value of all securities marketed amounted in 1935 to 532,934 contos of reis as against 534,957 contos of reis in 1934.

## TRANSPORTATION

## RAILWAY EARNINGS

In 1934, of twenty-five railways and their subsidiaries operating in Brazil, thirteen showed total operating profits of 69,673 contos of reis, and twelve a combined deficit of 43,532 contos of reis, giving over-all profits of over 26,000 contos of reis. In 1935 twelve roads operated with a profit, which had increased to 82,567 contos of reis, and thirteen with a combined loss of 58,777 contos of reis, which left an over-all profit of 23,790 contos of reis.

By far the greater part of these losses was sustained by the Central do Brasil Railway, a federal undertaking. In 1934 the deficit for this railway was over 30,000 contos, which increased to over 40,000 contos in 1935.

## AIR TRAFFIC

Air transportation is increasing in Brazil. In 1935 there was an advance of 44 per cent in the length of the lines operated—from 41,000 to 59,000 kilometres. The number of flights increased by 2.6 per cent, and distance flown by 10 per cent, from slightly over 3,300,000 kilometres to 3,700,000 kilometres. Passengers carried increased 41.9 per cent, from 18,000 to 25,000. Mail and cargo have also shown a considerable increase from, in the case of the former, 73,000 kilos to 79,000 kilos, or 8 per cent and, in the case of cargo, from 142,000 kilos to 161,000 kilos or 13.3 per cent.

## AGRICULTURAL PRODUCTION

The total agricultural production of Brazil increased from 20,163,000 tons in 1934 to 20,417,000 tons—the highest point in the past ten years. There was a slight recession in the production of foodstuffs—from 18,500,000 tons to 18,400,000 tons—as compared with 1934; the increase in the production of raw materials was from 1,607,000 tons to 1,970,000 tons. In value the total increased from 9,292,000 to 9,354,000 contos of reis. In foodstuffs production there was a slight reduction in value and a considerable increase in that of raw materials.

Most of the decreased production of foodstuffs was accounted for by coffee, as an attempt has been made to curtail the plantings of this crop in order to stabilize prices. In every other instance, except in the case of beans and sugar, an increase has been recorded.

In raw materials, cotton has increased from 948,000 tons to 1,235,000 tons, with slight improvements in other commodities. In value the cotton production increased from 1,148,000 to 1,352,000 contos of reis.

## BUILDING AND CONSTRUCTION

The expansion in construction in São Paulo and Rio de Janeiro recorded in 1934 continued unabated during 1935. In São Paulo—at least in the number of buildings erected—it was the greatest year in the history of the city, and in value was practically equal to the highest in pre-1919 experience. The total number of new buildings in São Paulo constructed in 1935 was 7,589 as against 4,194 in 1934; in 1928 the total was 6,867.

In Rio de Janeiro the total of new buildings erected in 1934 was given as 2,260, while for ten months of 1935 the number was 2,322.

In conclusion, it may be said that practically all indices point to a steady improvement in the internal financial and industrial life of Brazil. Stock exchange transactions and bank deposits have been lowered slightly, but this is more than offset by the remarkable increase in building operations. Money has been more plentiful for active rather than passive investment, which suggests

that this improvement is being felt generally. Production statistics indicate a growth in both agricultural and industrial undertakings, and such decreases as have taken place in individual items of the former have been the result of an attempt to check possible overproduction. By a high tariff structure Brazilian producers are assured of a considerable part of the home market, and already in many instances imported goods have been completely supplanted by those nationally produced. The "two-thirds" law of 1931, which stipulates that in all business undertakings and in all categories of such concerns, two-thirds of those employed must be Brazilian-born (or, in the event of none such being available, then naturalized Brazilians, before non-Brazilians may be employed), taken in conjunction with immigration quotas, provides to a certain extent against serious unemployment.

Although Brazil has not had a balanced budget for some years, there are indications that this object is being, perhaps slowly, achieved. Payments on external debts have been a serious drain on the treasury, and other internal commitments, besides the national debt, have required heavy expenditure. In this category fall such items as the agricultural mortgage payments plan, under which the Federal Government took over 50 per cent of the outstanding farm mortgages and the increase in salaries granted to the army and naval forces.

## EXCHANGE CONDITIONS IN THE REPUBLIC OF HONDURAS

S. G. MACDONALD, ACTING TRADE COMMISSIONER

Mexico City, June 15, 1936.—Exchange control was instituted in the Republic of Honduras in June, 1934. The main points of the exchange law were:—

(1) That all purchases and sales of foreign exchange had to pass through the local banks and had to be authorized by the Exchange Commission;

(2) That exportation of gold was temporarily prohibited and that gold-mining companies in Honduras were under the obligation of selling their gold to the Government;

(3) That United States bank notes were no longer legal tender and were to be withdrawn;

(4) That there should be withdrawal from circulation notes issued by the two banks for less than five lempiras;

(5) That the banks should proceed to form gold reserves; and

(6) That the profits from control should be used to pay salaries and expenses of the Commission and the surplus should be devoted to the establishment of an agricultural mortgage bank.

Prior to the introduction of exchange control, the Honduran trade balance had been a favourable one for years and there had been no shortage of exchange or unfavourable movements of money to justify these restrictive measures. Expediency and the desire of the Government to exercise a greater control over financial operations and the banking system were doubtless the grounds on which the Honduran Government based their action.

Since its inception exchange control has had little or no effect on the trade of the country. Exchange rates have remained constant, the buying rate being two lempiras for one United States dollar and the selling rate 2.04 lempiras for each dollar in Southern Honduras and 2.02 lempiras in Northern Honduras. The exchange rates for other currencies are fixed so that the buying rate coincides with the New York buying rate and the selling rate is fixed at 3 per cent

above that figure. Half of one per cent is retained by the Commission of Control, and the remaining percentage constitutes the bankers' commission. All legitimate exchange operations are authorized and no attempt has been made by the Government to discriminate, limit imports, or restrict the legitimate export of capital. Under prevailing conditions all currencies are at a 1 per cent disadvantage in comparison with United States currency, but as all foreign exchange has to pass through United States banks this is perhaps not excessive.

From the above it will be apparent that the only real effect of exchange control as operated in Honduras is to prevent fluctuation of the currency and to link it artificially to the dollar. This in itself is probably an advantage rather than otherwise, and in view of the fact that there has been no necessity for the rationing of exchange, the steadying influence of the control has facilitated rather than hampered commerce. In a word, the functions of the Exchange Control Commission have been of a supervisory nature throughout and its action limited to the prevention of abuses; it does not operate in a manner restrictive to foreign trade.

## PRODUCTION AND CONSUMPTION OF FISH IN ARGENTINA

R. G. C. SMITH, ASSISTANT TRADE COMMISSIONER

(Conversions have been made at the current free rate of exchange, namely \$1 Canadian equals 3.65 pesos. The ton used is the metric ton of 2,205 pounds.)

Buenos Aires, May 18, 1936.—In spite of a fairly long Atlantic coast-line, the fishing industry in Argentina is still relatively unimportant. No statistics are available of the number of persons directly dependent on the industry, but, strictly speaking, there are no fishing communities similar to those existing in Canada and other countries. The fact that the production of fish in Argentina is restricted is more the result of lack of demand than the lack of available supplies. The sea fisheries of Argentina produce a variety of fish in good quantities, and the present production could undoubtedly be increased to meet a much higher consumption. Although the main fishing grounds are close to the large consuming centre, Buenos Aires, the demand for fish has not developed in view of the cheap meat and the foods that are available throughout the year, but particularly because of the lack of adequate cold storage and handling facilities for fresh fish.

### PRODUCTION

The bulk of the fish produced in Argentina is taken from the Atlantic Ocean in an area directly accessible to Buenos Aires. There is also a quantity of fish produced in fresh waters, but the bulk of this production at present is used for industrialization and not for food. The following table gives the production for the last six years:—

	Fresh Water	Salt Water		Shell Fish	Total
	By Fishermen	By Trawlers	Figures in Metric Tons		
1930.. . . . .	10,172	15,755	16,871	1,130	43,928
1931.. . . . .	4,246	12,448	15,649	1,179	33,522
1932.. . . . .	5,664	14,734	11,493	1,101	32,992
1933.. . . . .	5,372	12,281	9,956	973	28,582
1934.. . . . .	11,215	12,157	9,568	1,072	34,011
1935.. . . . .	19,117	14,025	9,977	1,182	44,301

The increase in the fresh-water catch shown for the years 1930, 1934, and 1935 is misleading, since during those years 3,778, 6,494, and 14,000 tons of fresh-water fish (*sabalo*) were used for industrialization.

## AREAS AND TYPES OF FISH

Apart from the area covered by the steam trawlers in the Atlantic Ocean off the estuary of the River Plate, the main salt-water fishing zone is that off the port of Mar del Plata, about 250 miles to the southeast of Buenos Aires. Strictly speaking, this is the only port with a fishing community, and it is the only important supplier of salt-water fish to the capital outside of the trawlers. In this area the catch is principally made up of the following species, given with the 1935 production in tons, out of a total of 11,509 tons: pescadilla (*cynoscion striatus*), 3,523; anchovy (*engraulis*), 3,105; blue-fish (*pomatomus saltatrix*), 1,240; corvina (*micropogon opercularis*), 942; shrimps and prawns, 753; cornalito (*basilitchys* sp.), 500.

Quequen and Bahia Blanca, farther south on the Atlantic coast, produced 822 and 2,471 tons in 1935 respectively. The Quequen area is almost exclusively a producer of large muscles, whereas the Bahia Blanca fisheries produce pescadilla in the greatest quantity, with a smaller amount of corvina.

The catch of steam trawlers, on the other hand, is principally made up of merluza (*merluccius hubbissi*) and corvina with 5,940 and 2,812 tons respectively in 1935. Pescadilla is the only other important catch, yielding 797 tons in the same year.

Apart from those zones, fishing is carried out along the whole Atlantic coast, but it is not organized and practically none of the catch is marketed outside of the few towns and settlements immediately on the coast. These fisheries have a potential value, and offer an abundant supply of pejerrey (*odontesthes*), octopus, squid, crab, robalo (*eleginus maclovinus*), and some others of less importance.

The principal fresh-water fisheries are those of the Parana River, the River Plate delta, and several lakes and lagoons in the province of Buenos Aires. The pejerrey is the fish of most value taken from the fisheries, although the sabalo (*prochilodus platensis*) is being used for the production of oil and fertilizer to a growing extent. In 1935 the lake fisheries produced 1,477 tons of fish for consumption as compared with 2,609 tons from the Paraná and 550 tons from the Plate delta.

The pejerrey is generally considered as the premier fish of Argentina and is in most demand, the larger fish from the rivers and lakes being considered superior to the salt-water variety. The merluza is the most common and is rich in vitamins A and D, although both the corvina and the pescadilla find a ready market with the cheaper trade. The blue-fish and anchovy are the fish used most generally for canning purposes, although good quantities are also sold in the fresh state.

No cod, herring, halibut, or haddock are available in Argentina. A river to the south of the province of Buenos Aires was stocked some time ago with trout from the United States, but this fish is not available in commercial quantities. In the lakes bordering on the Andes at south latitude 41° there is also available trout and salmon trout, and some salmon, but the distance from markets prohibits any commercial exploitation.

## FISHING METHODS FOLLOWED

The fishing banks off the coast of Argentina are said to resemble the Newfoundland banks, since the warm currents from Brazil meet the cold Antarctic current, producing a zone of rapidly changing temperature, similar to that of the meeting of the Gulf Stream with the Labrador cold current. These conditions cause the death of many fish, which produces a ready supply of food for the shoals inhabiting the coastal zones.

It is in this area that the fleet of trawlers, numbering fourteen in all, operate. (One company controls eight trawlers, and these are the only ones that operate regularly.) Some of these trawlers are equipped with refrigerated holds that

chill the fish, pending delivery to the Buenos Aires market. As the fishing grounds are in close proximity to the market, the trawlers generally operate for a comparatively short time before returning to port.

At Mar del Plata the fishermen generally work from small launches, which are confined to port on many days during the winter months, when the storms are apt to be more frequent and more severe. These launches number 134 and vary in carrying capacity from 2,000 kilograms to about 6,000 kilograms. They could undoubtedly increase their yield greatly, since, owing to the limited outlet, they only operate for a few hours a day, delivering the fish at Mar del Plata at about 11 a.m. each day. The fishermen at Bahia Blanca operate with larger vessels, but their catch is only on occasions sent to Buenos Aires and is relatively unimportant.

Lake fishing is principally carried out with fixed nets in various meshes, drag nets only being used for eliminating the less desirable species. The river fisheries are worked by fixed nets and by spinners, while in the Plata estuary beach nets sometimes 300 yards long, and drawn by horsemen, are used to a certain extent, especially for the sabalo catch.

### IMPORTS

In spite of the available supply of fresh fish within easy distance of the principal consuming centre, imports of fresh, frozen, smoked, salted, and tinned fish are still fairly important, since there are certain species not available in Argentine waters or that are not yet exploited to any extent, such as herring, cod, and sardine, in the first instance, and squid and octopus in the second. Furthermore, there is practically no drying or salting of fish locally, although the tinning industry has been showing considerable development during the last few years.

The following statistics show the principal imports for 1933, 1934, and 1935, compared with the five-year average 1928-32. The principal supplying countries are also given, except for 1935, for which the details are not yet available:—

#### *Imports of Fish into Argentina*

	1928-32	1933	1934	1935
		Figures in Kilograms		
Smoked herrings . . . . .	86,947	22,206	4,791	23,074
Codfish, whole . . . . .	4,819,944	4,099,254	3,244,016	3,998,120
Norway . . . . .	3,787,521	2,983,775	2,353,941	.....
United Kingdom . . . . .	961,940	1,092,209	890,075	.....
Codfish, cut . . . . .	299,814	259,391	142,538	269,574
Norway . . . . .	235,111	215,348	111,097	.....
United Kingdom . . . . .	58,697	44,043	31,097	.....
Canned oysters . . . . .	534,128	414,980	356,343	458,296
Spain . . . . .	490,233	382,397	340,516	.....
United States . . . . .	39,508	32,476	15,756	.....
Fresh oysters <sup>1</sup> . . . . .	72,997	33,282	17,543	32,590
Chile . . . . .	.....	.....	.....	22,496
United States . . . . .	.....	.....	.....	10,094
Fresh or frozen fish <sup>1</sup> . . . . .	1,088,209	993,715	627,469	898,467
Spain . . . . .	500,507	357,910	208,748	.....
United States . . . . .	396,324	183,460	170,797	.....
Portugal . . . . .	117,338	313,068	164,632	.....
Uruguay . . . . .	20,682	23,460	63,558	.....
Japan . . . . .	6,151	105,905	.....	.....
Canned fish . . . . .	610,445	267,816	209,897	238,990
Spain . . . . .	331,422	155,604	141,954	.....
Italy . . . . .	125,132	68,069	26,671	.....
Japan . . . . .	5,730	10,903	10,679	.....
Fish in brine or pressed . . . . .	2,850,656	1,164,624	1,019,566	1,124,038
Netherlands . . . . .	773,488	274,197	358,532	.....
Spain . . . . .	1,642,858	708,627	358,416	.....
Portugal . . . . .	242,365	75,286	133,743	.....
United Kingdom . . . . .	48,637	64,405	124,531	.....
Sardines, in oil or sauce . . . . .	5,817,856	2,518,876	2,216,707	4,031,173
Spain . . . . .	3,646,590	2,289,761	2,076,409	.....
Portugal . . . . .	625,222	143,700	91,130	.....
United States . . . . .	1,299,438	52,433	24,729	.....

<sup>1</sup> 1930-32 average; former statistics for the headings not published.

## NOTES ON IMPORTS

## SMOKED HERRINGS

Smoked herrings are principally supplied from the Netherlands, fifty or one hundred fish to a paper-lined box. The box of fifty fish weighs between 13 and 14 kilograms net, each fish weighing between 200 and 250 grams. These fish are whole and when unfrozen are quite moist. They are always shipped frozen. Norway and the United Kingdom also supply smoked herrings. At one time the United Kingdom shipped fair quantities of dry smoked herrings in tins, but these fell out of favour when the more moist Dutch pack was introduced. The boxes used by Dutch exporters are long and flat with the lids and bottoms being made of plywood. In addition there are a few kippers imported in cellophane wrappings. These are supplied by the United Kingdom in boxes of 14 pounds net, and they are always shipped frozen with heads and tails. This trade is not large, however, in view of the high price of the fish compared with the common smoked herrings from the Netherlands.

The duties on smoked herrings were substantially increased in 1931 to 41·3 centavos (11·31 cents) and 23 centavos (6·30 cents) per gross kilogram for imports in boxes and kegs respectively. By the Anglo-Argentine Trade Agreement of 1933 the duties were reduced to their present level of 24·1 centavos (6·60 cents) and 16 centavos (4·38 cents) respectively, which rates are still very much higher than the original charges levied prior to 1931.

## CODFISH

The codfish market was recently described in detail in *Commercial Intelligence Journal* No. 1671 (February 8, 1936). It is sufficient to note, therefore, that this is one of the most staple of fish imports. The duties on both whole and cut codfish were increased in 1931 by about 340 and 417 per cent respectively to 15·15 centavos (4·15 cents) per gross kilogram and 29·4 centavos (8·04 cents) per kilogram legal net weight. This increase was undoubtedly partly responsible for the sharp reduction in imports in both classes in 1931, when whole codfish imports dropped about 28 per cent and cut codfish imports were halved. The duties were subsequently slightly reduced towards the end of 1933 by the Anglo-Argentine Trade Agreement when the present rates of 13·97 centavos (3·82 cents) and 23·3 centavos (6·38 cents) were established. These rates are about 10 per cent of current retail prices.

Canada has never participated in this trade, as all shipments of whole cod are made in hermetically sealed tin-lined cases. The fish so shipped is generally kiln-dried and consists of large uniform cod and ling (the latter from Scotland).

## OYSTERS

The imports shown under tinned oysters as coming from Spain should more properly be classified as mussels, winkles, and similar shellfish. These are consumed in large quantities in most restaurants with cocktails. They are shipped mostly in tins of 400 grams or of 1 kilogram net. The tinned oysters from the United States are mostly shipped in 6-pound tins. Although they have a limited outlet owing to the high price, they are well liked, and it is possible that these could be shipped from Canada if the United States competition could be met.

The duty on tinned oysters or other shellfish works out about 34·4 centavos (9·42 cents) per kilogram legal net weight, which is about three times the duty paid in 1930, the increase being effected towards the end of 1931. Thus the imports fell off by about 40 per cent in 1932.

The imports of fresh oysters include both fresh and frozen oysters. Brazil used to be the principal shipper of fresh oysters, but lately Chile has taken its

place. The latter oysters are brought overland and sent by rail to the capital. Imports from the United States are medium-sized blue-point oysters shipped frozen with the shell, in barrels of 1,000 each.

Imports unfrozen are allowed entry with 10 per cent ad valorem duty, whereas frozen oysters are charged 42 per cent. These duties were imposed in 1931, imports formerly being free from duty. These duties do not appear to have affected the importation to any extent; although total imports were greatly reduced in 1932, the United States increased its shipments in that year. The falling off from the relatively high figures of 197,610 kilograms shipped in 1931 was principally due to the bad condition on arrival of the Brazilian shipments made as deck cargo in bags during that year.

#### FRESH AND FROZEN FISH

The principal imports under this heading are frozen, the only fresh unfrozen fish being those shown under Uruguay. This trade is insignificant and generally consists of large blue-fish and corvina imports, and they are made only to supplement the local salt-water catch. The chief frozen fish imported are squid from the United States, sardines from Spain, cuttle fish and octopus from Spain and Portugal, and tunny from Spain. The imports shown for Japan in 1933 were mostly tunny, which was brought in for canning purposes. Imports of sardines from Spain are made in boxes of 6 kilograms net, there being two packs, one with heads and the other without. The squid from the United States are frozen in blocks of ice and shipped in boxes of 50 or 60 pounds.

Frozen salmon is shipped principally from the United States, although frequently it is of Canadian origin, in small quantities to meet a limited demand from high-class hotels and restaurants and from the English-speaking community. There is a greater outlet for frozen salmon for the canning trade, but this is necessarily restricted by the high cost. All such shipments are made via New York in view of the restricted demand that makes each order too small for direct shipment from the West Coast, the shipping companies only accepting a certain minimum of frozen freight.

There are practically no fresh frozen eels imported, although there is a small trade in frozen, medium-smoked eels. These are principally shipped from Sweden and Germany to fulfil a restricted demand caused, in part, by the high prices on such fish.

The increased shipments during 1935 are a reflection of generally improved conditions, and also illustrate the lack of development of the local fishing industry. This latter point is further accentuated when it is considered that the present duties on frozen fish are 42 per cent, and on fresh fish 10 per cent. These duties were imposed in 1931, but in spite of such protection imports rose slightly in 1932 to over 1,000,000 kilograms. The fisheries to the far south of Argentina are said to offer almost unlimited squid and octopus, so that the main imports from Spain, the United States, and Portugal could be offset by local production, although the source of supplies is some considerable distance from the capital.

#### CANNED FISH

The marked falling off in imports of canned fish is caused to a considerable extent by the increasing production in Argentina. This development was a logical sequence to the almost prohibitive duties and falling value of the peso that greatly increased the price to the consumer. The duties on canned fish have been comparatively high for some time and were only increased slightly in 1931 to the present rate of about 1.63 peso (44.65 cents) per kilogram legal net weight.

Principal imports under this heading are squid in oil and in its natural state, tunny fish in oil, and anchovies from Spain and Portugal; squid and tunny from Italy; crab and craw-fish from Japan. In addition a few cases of canned salmon

are supplied by the United Kingdom, Japan, and Russia, but this trade is insignificant owing to the high prices charged for this fish. Similarly, canned lobster imports are restricted, the little demand being supplied by one large Scottish shipper who is also responsible for most of the shipments of canned smoked herrings and canned salmon from the United Kingdom. Both the salmon and lobster supplied by the United Kingdom is generally a Canadian pack. In addition, a wide variety of other fish is shipped in cans, generally in olive oil, from Spain, Portugal, and Italy to a lesser extent, which includes clams, herrings, bonito, merluza, and a few others. However, compared with canned squid and tunny, the trade in these fish is unimportant.

#### FISH IN BRINE OR PRESSED

The most important shipments under this heading are herrings in brine from the Netherlands and the United Kingdom. In 1934 herrings were classified separately and these made up practically the entire imports shown from the two countries. Shipments from Holland consist of tins of fifty fish, whole and uncut, weighing 6 kilograms net and eight tins to a wooden case. There are also substantial shipments in kegs of 80-85 fish and of 90-95 fish. Large whole herrings called matjes are also supplied in kegs from the United Kingdom, as well as smaller fish, about 6 inches in length, called matfulls. The latter are also available from Iceland. These are generally supplied in kegs of 42 and 84 kilograms. These shipments come as chilled or frozen freight, and the fish is held in cold storage after arrival as long as possible.

Shipments from Spain and Portugal are mostly dry salt sardines and anchovies. The sardines are also shipped frozen in large round tins mostly weighing 9 kilograms gross, although smaller tins of 2 and 3 kilograms are also available. These fish are whole with head and tail.

The duty on all fish in brine or pressed was more than doubled towards the end of 1931; when imports fell by about 45 per cent. The present duties on pickled fish work out at 37.7 centavos (10.32 cents) per gross kilogram, except that herrings are admitted at 17 centavos (4.65 cents) in accordance with the Anglo-Argentine Trade Agreement of 1933.

#### SARDINES IN OIL OR SAUCE

Sardines are undoubtedly the most important canned fish imported. There is a large demand for such fish, and as the local fisheries do not produce a similar fish it must be met from abroad, either fresh, salted, or tinned.

The severe reduction of over 200 per cent in 1932 in the imports of that year as compared with the 1931 figures was undoubtedly caused by the falling value of the peso and by the increase in duties from 4.46 centavos per kilogram (1.22 cent) legal net weight to 37.45 centavos (10.26 cents). As sardines have a wide distribution among all classes, the consumption was logically affected by the general business depression; in fact, imports were almost halved in 1931 from the 8,000,000 kilograms shown for 1930. The demand for sardines appears to be as strong as ever, however, since imports showed a substantial rise in 1935, the first year of real recovery. Although the increase in duties was severe, nevertheless the present rates are less than 4 per cent of the retail selling price.

The bulk of the sardines imported are packed in olive oil, although there are also certain quantities imported in tomato sauce. Cotton-seed oil is not used in packing the sardines imported into Argentina. Most of the imports from the United States are pilchards packed in tomato sauce in oval tins of 425 grams. Spanish sardines are supplied in tins of various sizes running from 130 grams up to 1 kilogram. Smoked sardines are not popular, although they are supplied from Norway in small quantities.

## OTHER FISH

There is a limited amount of smoked haddock imported from the United Kingdom in 14-pound boxes. This fish is shipped frozen. Smoked salmon is also brought in from the United States to meet a restricted demand. This fish must be lightly smoked. The trade in both these lines is definitely limited, owing to the high cost, to some of the better-class hotels and restaurants and to a small section of the English-speaking community.

The duties on all smoked fish, other than herrings, work out at 23·9 centavos (6·54 cents) per kilogram legal net weight.

## DISTRIBUTION AND CONSUMPTION

Up to a point the system of marketing the catch may be said to be well organized, but the organization is limited to such an extent that consumption is necessarily restricted. Thus Buenos Aires is supplied daily with fish that is on the retail market before it is twenty-four hours out of the water. Outside of Buenos Aires, the smaller coastal and river points that are self-supporting in fish, and the few villages near the fish-producing lakes, the rest of the republic is practically unsupplied with fish.

## PER CAPITA CONSUMPTION

Thus although the per capita consumption per annum of fresh fish is from five to six pounds for the whole country, that of the city of Buenos Aires, with a population of about 2,250,000, is calculated to be about 22 pounds.

## MARKETING IN BUENOS AIRES

The fleet of trawlers works entirely out of Buenos Aires and the fish is delivered to the central market almost daily. This market is equipped with cold storage, but the main trawler company also operates its own cold storage plant. In addition a special train leaves Mar del Plata daily in the afternoon, delivering fish to the central market of Buenos Aires at about 4 a.m. This train loads at the docks and delivers the fish a short distance from the market in Buenos Aires. The central market is not well situated, however, as the fish must be sent by trucks from the station to the outskirts of the city, where it is sold and brought back into Buenos Aires for distribution through the various retail markets.

## LACK OF REFRIGERATION FACILITIES

These are the main sources of supply to Buenos Aires, although Bahia Blanca, which is fourteen hours by rail, sends a few fish, and the lakes throughout the province of Buenos Aires forward the bulk of the pejerrey. Most of the fish delivered at Buenos Aires is consumed locally, it being estimated that not more than 2 per cent is sent to the interior. The fish are sold each day at prices that are regulated by the trawler company or the Mar del Plata fishermen's association in accordance with the daily supplies. They are then sold throughout the city in various markets both open and closed, practically none of which are provided with refrigeration, and by street hawkers. The fish is always sold unprepared in any way, and this lack of refrigeration or preparation in the retail distribution is an important factor limiting the consumption, particularly during the hot summer months.

In transporting the fish to the capital no refrigerated cars are used, but the boxes, that contain an average of 88 pounds of fish, are usually packed with about 10 pounds of ice in Mar del Plata. Insulated cars are sometimes used for the long haul from Bahia Blanca, but the lake shipments are made in ordinary freight wagons.

## CONSUMPTION OUTSIDE OF BUENOS AIRES

Probably the local consumption at Mar del Plata is increasing yearly, as the resort grows in favour as the fashionable bathing beach. At the present time about 8,000 tons of its total catch of 11,509 tons is sent to the capital, it being estimated that about 2,124 tons are used for canning purposes in Mar del Plata, and the balance, or about 1,400 tons, is required for local and adjacent consumption.

About 1,490 tons of Bahia Blanca's total catch of 2,471 tons was shipped into Buenos Aires in 1935, the remainder, or 981 tons, being used for consumption in Bahia Blanca and nearby points. Most of the lake production, and the mussels from Quequen, are sent to the capital, while the catch from the coastal points is almost entirely for local consumption. Rosario is estimated to take about 3,000 tons of river fish, 20 per cent of which is sent inland to the city of Cordoba.

The total catch is fairly constant throughout the year, although certain varieties of fish are scarce for some months. Although the trawlers may be said to compete with the independent fishermen of Mar del Plata, the catches from these two groups are to a certain extent complementary. That is, about 60 per cent of the trawler production is merluza, which is not supplied by Mar del Plata, while the latter's principal catch is pescadilla, anchovy, blue-fish, and corvina. Pescadilla and blue-fish are also taken by the trawlers, but in relatively small quantities.

The Mar del Plata area is the main producer during the summer months, or roughly from October to May or June, when the output from the trawlers is higher owing to the fact that storms frequently prevent the launches from working. Thus through the two types of production Buenos Aires is adequately supplied with fresh fish during the whole year.

## PRICES AND COSTS OF DISTRIBUTION

As regards prices, it may be said that where the species are delivered from both sources the Mar del Plata fish generally commands a higher price than the trawler catch. The central market sets the retail price at 30 per cent over the wholesale for the fish sold in the various municipal markets.

The following prices may be taken as an indication of the wholesale prices paid during the year for the principal fish delivered from Mar del Plata. These prices are in pesos per box averaging 40 kilograms net of fish: pescadilla, 4.70 (\$1.29); blue-fish, 6.40 (\$1.75); corvina, 5.20 (\$1.43); pejerrey (lake), 20 (\$5.48); cornalito, 4.35 (\$1.19).

The total cost of packing and distribution from the docks at Mar del Plata to the central market in Buenos Aires works out at about 2.09 pesos (57.3 cents) per box (freight 1.59 peso, market tax 5 centavos, ice 15 centavos, cartage at Buenos Aires 30 centavos), plus the consignee's commission of 10 per cent of the sale price at the market.

The launches are generally owned by one of the fishermen working the boat, although some owners operate several launches. The net profits from the sale of the fish, after deducting operating expenses, are generally divided equally among the owner and the hands working for him, the owner being granted an extra share as capital amortization. Out of this share the owner must supply all lines, hooks, and bait. Some owners pay salaries, but the system of division of profits is more customary. The boats vary in size, but it may be said that the larger work with a crew of five hands and the owner, so that the profits would be split into seven (allowing one share for the boat).

## REGULATIONS

There is no fisheries law in Argentina, although there are several regulations and decrees that give some measure of protection and control to the industry. It is, for example, forbidden to use explosives in the fishing areas, and from September to November the lake fisheries are closed for the spawning period.

All fish sent into Buenos Aires must be delivered to the central market, where it is inspected before sale.

All canned fish, or fish packed in any way, must carry a label giving the following data in Spanish: name of product, net weight in the metric decimal system, year and month of packing, country of origin, name of importer or representative. In practice imports of canned fish from the United States or the United Kingdom are shipped with their regular labels, with the foregoing information printed on a supplementary plain white label. The regulations require that all tins used for canning fish must be varnished internally if the mixture is of acid reaction—defined as a solution which exceeds an acidity equivalent to 8 cc. of normal sodium hydrate per cent by weight of the substance or liquid.

## LOCAL INDUSTRY

The local canning industry is of comparatively recent growth. There are several factories in operation at the present time that put up most of the local fish in tins in brine or in olive oil. The most general is perhaps the blue-fish and anchovies, the latter already seriously affecting imports. In addition to the local catch, imported frozen salmon is canned by several factories, although the production is not very extensive. Similarly canned frozen tunny is also produced in small quantities.

Fertilizer and oil are produced by one reducing plant that used about 14,000 tons of sabalo last year. This fish is rich in oil, yielding nearly 13 per cent of its weight. The residue is dried and sold as fertilizer, although this is not considered good quality, in spite of its high  $\text{NH}_3$  content, because of the large percentage of sand that is not cleaned out.

## POSSIBILITIES FOR DEVELOPING TRADE WITH CANADA

At the present time the possibilities of developing trade in fish with Canada are limited by the exchange regulations. In the case of herrings, cod, and sardines, even if competitive prices and suitable packs could be offered from Canada, the fact that official exchange would be available to pay for such imports from the Netherlands, the United Kingdom, Norway, and Spain, whereas only free exchange at 20 per cent over the official rate would be available for imports from Canada, would effectively limit the possibilities of trade. On the other hand, in the case of smoked or frozen salmon the exchange regulations have more of an effect of reducing consumption through raising the price in pesos rather than of producing an unequal competitive position.

Apart from these important considerations, which may be considered as transitory, the possibilities of increasing Canada's exports of fish products to Argentina seem to be restricted to dried cod, smoked and pickled herrings, canned sardines, and frozen salmon.

The question of shipping uncut codfish, which is the principal trade, from Canada depends entirely upon the production of a pack that would be suitable to this market. So far no Canadian firms have been prepared to offer cod in sealed tin-lined cases, and attempts to ship in ordinary wooden cases have not been successful. It should not be assumed that the tin case is required simply by custom, or that the market would not accept a different pack. On the contrary, if codfish could be delivered in good condition, without the tin case, at competitive prices, there is little doubt that it would be acceptable to this market.

Possibilities of shipping herrings, particularly smoked herrings, from Canada under normal conditions depend largely on proper shipping connections. As this fish must be shipped frozen, the lack of direct freight service with frozen cargo space from the East Coast of Canada is a serious handicap. Again, if suitable prices could be quoted, it would not seem necessary to copy the Dutel- or English packs, although it should be remembered the moist smoked herring is preferred to the very dry pack. Efforts to ship smoked herrings unfrozen from Canada have not been successful, the fish being unfit for consumption on arrival.

Samples of Canadian sardines packed in olive oil received favourable comment several years ago, and it is probable that a trade could be built up in this line; it would be essential, however, to equal or better the prices being quoted from Spain. Pilchards could probably be sold under normal conditions, but it would be necessary to prepare them as sardines in oval tins and in oil or tomato sauce.

#### DUTIES

The duty on fresh salmon of 42 per cent is probably too high to allow much increase in its consumption in competition with the locally produced fresh fish. However, with an improved value of the peso it is possible that it would be used to an increasing extent for local canning. At the present the demand is limited for this purpose, with the result that shipments are all made via New York instead of direct from the Pacific Coast. If the price could be lowered sufficiently to the canners, it is possible that their consumption would be great enough to allow them to place sufficiently large orders to book frozen space for direct Pacific shipments, with a substantial saving in freight costs.

Unless the duties are substantially lowered on all canned fish, there would seem to be little hope of substantially increasing imports from Canada, even if the value of the peso improves and the exchange difficulties are removed. At present rates the duties represent about 23 per cent of the retail selling price of canned salmon. As the duties are independent of the international value of the peso, a reduction in the original cost of the canned salmon through a higher peso value would only be reflected to a slight extent in the retail price. In addition, the large proportion of the population that is of Italian and Spanish descent forms a more natural outlet for the canned fish produced in those countries than for the comparatively unknown salmon or other Canadian fish.

#### INFORMATION ON EXCHANGE RESTRICTIONS

During the period of unsettled exchange conditions in many countries, it has been the practice to publish in the *Commercial Intelligence Journal* from time to time fairly complete reviews of the principal features of the exchange situation in countries regarding which it is most important that Canadian exporters be adequately informed. Canadian Trade Commissioners, resident in territories where exchange control is in force, are under instruction to prepare reports for publication dealing with major alterations in the methods of control and with revisions of policy or of regulations that affect imports from Canada. Apart from these published reports, the Commercial Intelligence Service has on file unpublished data which will be freely furnished, on request, to Canadian firms desiring information with regard to exchange conditions in specified countries.

**BRITISH TRADE FAIR, SINGAPORE****B. C. BUTLER, ACTING TRADE COMMISSIONER**

Singapore, May 21, 1936.—The fifth British Trade Fair was held in Singapore from May 1 to May 9, inclusive. There were 70 exhibitors, occupying 187 stalls of the standard size, 12 feet by 12 feet, apart from the enlarged and greatly improved motor section where 10 of the leading automobile import firms exhibited in 26 stalls. The attendance was almost the same as in 1935, totalling approximately 182,000. Chinese constitute about two-thirds of Singapore's population, and the fair was therefore made mainly to appeal to them. At least 95 per cent of the attendance was Chinese; the European attendance would not be more than 3,000.

Most of the articles on display were of United Kingdom manufacture, but there was a greater quantity of Canadian, Australian, New Zealand, and South African goods than previously. The products of the following Canadian firms were exhibited:—

Canadian Cannery Ltd.—Canned soups, vegetables, catsup, etc.  
Connors Brothers Ltd.—Sardines.  
Lewis Connors & Sons Ltd.—Sardines.  
Shirriffs Ltd.—Jellies.  
Willards Chocolates Ltd.—Boxed chocolates and bars.  
Seafood Products Ltd.—Frozen fish.  
Champion Spark Plug of Canada Ltd.—Spark plugs.  
Canada Decalcomania Co. Ltd.—Transfers.  
Libby, McNeil & Libby.—Canned tomato products, pickles, etc.  
Harriet Hubbard Ayer of Canada Ltd.—Cosmetics.  
Beaver Co. Ltd.—Building board.  
Maple Leaf Milling Co.—Flour.  
Canadian Milk Products Ltd.—Powdered milk.  
Fraser Valley Milk Producers Association.—Columbia Brand milk.  
Monarch Battery Manufacturing Co. Ltd.—Motor car batteries.  
Catelli Macaroni Products Corporation Ltd.—Macaroni and vermicelli.  
Broder Canning Co. Ltd.—Canned fruits and vegetables.  
Soaps-Perfumes Ltd.—Toilet soaps.  
Ford Motors of Malaya.—Ford cars and trucks.  
General Motors Corporation—Chevrolet and Buick cars.  
Chrysler Export Corporation—Chrysler and Plymouth cars.  
Studebaker Corporation of Canada Ltd.—Studebaker cars.

The local representatives of the listed Canadian exporters were in charge of the exhibits, and the Trade Commissioner's office assisted by providing attractive posters and other display material prepared by the Exhibition Commissioner of the Department of Trade and Commerce.

Participation by Canadian firms was on a much larger scale than in previous years, and at the same time every opportunity was taken to advertise the Dominion in the newspapers as a potential source of supply for the many articles required by Malayan buyers.

## NEW TARIFF POLICY OF AUSTRALIA

M. T. STEWART, ACTING TRADE COMMISSIONER

Melbourne, May 26, 1936.—Far-reaching changes in the overseas trade policy of the Commonwealth of Australia were announced in the House of Representatives, Canberra, on May 22, by the Minister for Trade Treaties, Sir Henry Gullett, preparatory to the introduction of a new tariff schedule embodying principles of trade diversion entirely new to Australia.

The Minister stated that the Government had made these important decisions with the intention of diverting certain portions of Australia's overseas trade. They have in view the widening and strengthening of Australia's secondary industries by limiting some commodity imports in order to further manufacturing within the Commonwealth, motor chassis being a notable example. In the case of other imports which it is proposed to divert from the present sources, it is the Government's aim to draw greater supplies from countries which are already good customers and from which Australia may expect further consideration in return for increased purchases from the Commonwealth.

### TWO LINES OF DIVERSION

The Commonwealth Government have made an exhaustive survey of their overseas trade position, and have decided that it is necessary to proceed along two lines in the diversion of imports: (1) by the adoption of a licensing system of a limited range of imports, and (2) the imposition of higher duties where this course has appeared more desirable. With the exception of motor chassis, all goods of Empire origin are excepted from the licensing proposals and the restriction re motor chassis does not apply to the United Kingdom.

Under the licensing scheme, with the exceptions mentioned, the importation of specified commodities will be prohibited except with the consent of the Minister for Trade and Customs, and intending importers of these commodities must receive a licence before the goods will be permitted importation. It is the avowed purpose of the administration to freely grant licences in respect of imports from all countries with which Australia has a favourable balance, and from other countries with which the balance may be unfavourable, provided the Government is satisfied with the necessity for such imports. Foreign countries with which Australia enjoys a favourable trade balance include Germany, Japan, Belgium, and Czechoslovakia.

The Government expect that the immediate effect of the new tariff policy will be the diversion of import trade amounting to an estimated total of £2,290,000 sterling. Of this, Australian manufacturers are expected to benefit to the extent of £845,000 sterling, the United Kingdom manufacturers by £1,310,000 sterling, and good foreign customers by £135,000 sterling. These figures do not take into account the proposed larger diversion to Australia of motor chassis manufacture to the value of over £4,000,000 sterling.

United States export interests are vitally affected by the licensing system, and the list of prohibitions covers a wide range of commodities exported in appreciable quantities from the United States to Australia in face of the general tariff treatment which they have received hitherto. Under the present plan the United States and Canada will not be permitted to ship to Australia a greater number of motor chassis than those exported during the year ending April 30,

1936. This will work out to about 23,000 chassis for Canada and to a 25,000 chassis limit for the United States. The Government hopes that by 1938 the local manufacture of motor car chassis will be sufficiently advanced to permit of a production of probably 5,000 units, and a fund is being provided by an additional duty of 0.7d. per pound on all imported motor chassis and parts to provide a subsidy of not less than £30 per unit for motor chassis produced in Australia in 1938, £26 in 1939, £8 in 1940, and £3 15s. per unit in 1941 (the fourth year of production), by which time it is hoped there will be a production of 40,000 motor chassis annually within the Commonwealth.

Although the import restrictions apply to Canada in one item only—i.e., motor car chassis—the new policy is of the greatest interest to the Dominion as the Commonwealth Government are desirous of immediately effecting a friendly arrangement by which the supply of any imported goods subject to licence control will not be diverted from their present United States sources to Canada, which would defeat the Government's object of diversion.

One other alteration of immediate interest to Canada is the increase in duty on Douglas fir logs to 4s. 6d. per 100 superficial feet Brereton measurement from Canada and to 5s. 3d. per 100 superficial feet from the United States, the increase in the log duty being effected to assist and rehabilitate the local hardwood industry.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### Tariff Changes in Trinidad

Tariff changes effective in Trinidad from May 29, 1936, established the following new preferential rates (former rates in parentheses): undressed leather, 3 cents per pound (10 per cent ad valorem); perfumed spirits, dentifrices, toilet preparations and washes, valued under \$1 per ounce, 10 per cent ad valorem, or if higher, \$2.40 per gallon (15 per cent or 30s.); same not less than \$1 per ounce, 10 cents per ounce (15 per cent or 30s.). The general tariff in each case is double the rates quoted. The surtax of 15 per cent of duty on undressed leather and liquid perfumery continues in force. The general tariff on fresh meat, including poultry, is reduced from \$1 to 50 cents per 100 pounds, the British preferential remaining free. Cinematograph films for educational purposes remain at 60 cents per 100 lineal feet under the general tariff but become free under the British preferential instead of 30 cents per 100 lineal feet. Canadian and Empire goods are accorded British preferential rates, while the general tariff applies to all non-Empire goods. Shirt factories are to be allowed to import duty free Empire-made sewing cotton, collars, collar bands, cuff linings, and cardboard boxes for packing shirts.

### Certificates of Origin for Netherlands India

With reference to notice in *Commercial Intelligence Journal* No. 1677 (March 21, 1936), page 505, concerning certificates of origin for ready-made clothing exported to the Netherlands Indies, Mr. B. C. Butler, Acting Trade Commissioner at Batavia, writes that this restriction has been extended to September 21, 1936, and is likely to be prolonged after that date. He writes that practically no textile merchandise can now be imported into Netherlands Indies without licence. The Acting Trade Commissioner also advises that of special

interest to Canada is the restriction on shirts and dresses and such woven and meshed goods as bathing suits and polo shirts. No special allotments of these commodities are made to particular countries, the quotas being divided among recognized importers. In making out invoices exporters are reminded of the importance of inserting the gross weight of every parcel on the invoice. The certificate of origin consists of simply the words: "This is to certify that each article on this invoice is bona fide the produce or manufacture of Canada," and must be attested by a Chamber of Commerce or Board of Trade.

### **Egyptian Tariff Changes**

Mr. Yves Lamontagne, Canadian Trade Commissioner in Cairo, advises that under a decree published in the *Journal Officiel* of June 11, 1936, and effective from that date, the additional ad valorem duty of 1 per cent formerly applicable on all imports into Egypt has been raised to 2 per cent. This means that, in addition to the rates under the general tariff, either specific or ad valorem, a 2 per cent ad valorem duty is now applicable on all imports into Egypt.

### **Commodities Entering the United States Not Requiring Consular Invoices**

United States Treasury Decision No. 48365, published June 11, 1936, contained a list of commodities that have been ruled by the Bureau of Customs, in answer to specific inquiries, as not requiring consular invoices providing that they are free of duty, not dependent on value. The list names forty-one commodities which are in addition to the commodities named in United States Treasury Decision No. 47060 (see *Commercial Intelligence Journal* No. 1585: June 16, 1934, page 1041). Some of the commodities mentioned in the new list are:—

Barley; beans, natural; blueberries, natural; broomcorn; cereals, natural; cattle, live; clay, ball; corn; fish livers; lentils, raw or dried; lime beans; linseed; lobsters; manure salts; oats; peas; potash, muriate of; potatoes; poultry, live; precipitates, silver; rye; salt cake; seeds; smelts; wheat.

General information concerning commodities for which consular invoices are not required was published in *Commercial Intelligence Journal* No. 1667 (January 11, 1936), page 86.

### **Japan Extends List of Goods Requiring Certificate of Origin**

Information has been received from the Japanese Legation, Ottawa, that certificates of origin are to be required for all imports into Japan of sheep's wool, waste or old wool, hides and skins, wheat, wheat flour, beef, beef tallow, butter, condensed milk, and casein. This requirement is in consequence of an Imperial Ordinance dated June 25, 1936, requiring that certain articles, the produce or manufacture of Australia, shall not be imported into Japan without a licence from the minister concerned, and imposing a surtax of 50 per cent ad valorem on such goods. Goods in transit or held in bond in warehouse at the time this ordinance went into effect are exempted from the certificate of origin requirement. The usual procedure in obtaining the certificate of origin is to make application to the Japanese consulates at Ottawa or Vancouver, who have already been signing certificates of origin for certain goods entitled to conventional duties in Japan.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 29

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending June 29, 1936, with the official bank rate. Quotations for the week ending June 22, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 22	Nominal Quotations in Montreal Week ending June 29	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1884	\$ .1886	3½
Belgium . . . . .	Belga	.1001	.1697	.1695	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0415	.0417	3
Denmark . . . . .	Krone	.2680	.2243	.2250	3½
Finland . . . . .	Markka	.0252	.0222	.0223	4
France . . . . .	Franc	.0392	.0661	.0665	4
Germany . . . . .	Reichsmark	.2382	.4041	.4042	4
Great Britain . . . . .	Pound	4.8666	5.0266	5.0400	2
Greece . . . . .	Drachma	.0130	.0093	.0093	4
Holland . . . . .	Guilder	.4020	.6800	.6829	3½
Hungary . . . . .	Pengo	.1749	.2957	.2954	4
Italy . . . . .	Lira	.0526	.0788	.0789	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0231	5
Norway . . . . .	Krone	.2680	.2525	.2532	3½
Portugal . . . . .	Escudo	.0442	.0054	.0057	4½
Roumania . . . . .	Leu	.0060	.0073	.0074	4½
Spain . . . . .	Peseta	.1930	.1371	.1377	5
Sweden . . . . .	Krona	.2680	.2591	.2598	2½
Switzerland . . . . .	Franc	.1930	.3262	.3281	2½
United States . . . . .	Dollar	1.0000	1.0028	1.0025	1½
Poland . . . . .	Zloty	.1122	.1886	.1890	5
Argentina . . . . .	Peso (Paper)	.4245	.3349	.3359	—
Brazil . . . . .	Milreis (Paper)	.1196	.0865	.0866	—
Chile . . . . .	Peso	.1217	.0507	.0507	4½
Colombia . . . . .	Peso	.9733	.5706	.5704	4
Mexico . . . . .	Peso	.4985	.2784	.2786	4-5
Peru . . . . .	Sol	.2800	.2494	.2493	—
Venezuela . . . . .	Bolivar	.1930	.2457	.2406	—
Uruguay . . . . .	Peso	1.0342	.7991	.8020	—
China (Shanghai) . . . . .	Dollar	.....	.3002	.3003	—
Cuba . . . . .	Peso	1.0000	1.0018	1.0015	—
Hongkong . . . . .	Dollar	.....	.3241	.3234	—
India . . . . .	Rupee	.3650	.3795	.3800	3
Japan . . . . .	Yen	.4985	.2945	.2946	3.29
Java . . . . .	Guilder	.4020	.6834	.6861	4
Siam . . . . .	Baht (Tical)	.4424	.4605	.4622	—
Straits Settlements . . . . .	Dollar	.5678	.5890	.5907	—
South Africa . . . . .	Pound	4.8666	5.0203	5.0337	—
British Guiana . . . . .	Dollar	1.0138	1.0472	1.0500	—
Jamaica . . . . .	Pound	4.8666	5.0366	5.0500	—
Other British West Indies . . . . .	Dollar	1.0138	1.0472	1.0500	—
Martinique . . . . .	Franc	.0392	.0661	.0665	—
Guadeloupe . . . . .	Franc	.0392	.0661	.0665	—
Australia . . . . .	Pound	4.8666	4.0213	4.0325	—
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1545	5.1725	—
New Zealand . . . . .	Pound	4.8666	4.0537	4.0650	—
Argentina . . . . .	Free	Free	.2778	.2727	—
Brazil . . . . .	Free	Free	.0577	.0571	—
Chile . . . . .	Free	Free	.0407	.0407	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Following pronounced recovery in the French franc on June 20 and 22, foreign exchanges have been unusually quiet. The Bank of France reduced the official bank rate twice during the fourth week of June, so that it now rests at 4 per cent in place of the 6 per cent rate which had been maintained since May 6. The Netherlands Bank likewise reduced its rate from 5 per cent to 4 per cent. News intimations of June 27 referred to further short covering of the franc and a moderate amount of French capital repatriation. Montreal rates on the pound sterling were steady at \$5.035, and on New York funds at \$1.0025 for the greater part of the week ended June 27.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.  
Portage la Prairie, Man.

St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers' Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Potatoes, Seed and Consumption	453-455	Buenos Aires, Argentina...	Agency.
Seed Potatoes.....	456	Buenos Aires, Argentina...	Agency.
Canned Salmon.....	457	Zurich, Switzerland.....	Agency.
Canned Lobster.....	458	Eindhoven, Holland.....	Purchase and Agency.
Prepared Breakfast Foods.....	459	Rio de Janeiro, Brazil....	Purchase.
Breakfast Cereals.....	460	Zurich, Switzerland.....	Agency.
Powdered Milk.....	461	Panama City, Panama....	Agency.
Malt.....	462	Santo Domingo, Dominican Republic.	Agency.
Ginger Ale Extract.....	463	Panama City, Panama....	Purchase.
<b>Miscellaneous—</b>			
Hats (Felt and Straw, chiefly Women's).	464	Kingston Jamaica.....	Agency.
Hosiery, Ladies' Silk and Artificial Silk.	465	Kingston, Jamaica.....	Agency.
Hosiery, all kinds, principally Silk and Artificial Silk.	466	Kingston, Jamaica.....	Agency.
Shirts (Men's and Boys').....	467	Kingston, Jamaica.....	Agency.
Silk or Artificial Silk Piece-goods (Woven only).	468	Lifford, Irish Free State...	Purchase.
Dolls.....	469	Auckland, New Zealand...	Agency.
Office Sundries.....	470	S. Pedro de Macoris, Dominican Republic.	Purchase.
Printed Paper Bags.....	471	Chicago, U.S.A.....	Purchase.
Wooden Stoppers.....	472	Amsterdam, Holland.....	Purchase.
Portable Houses.....	473	Singapore, Straits Settlements.	Agency.

TRADE INQUIRIES—*Concluded*

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Miscellaneous—<i>Conc.</i></b>			
Air-conditioning Equipment.....	474	Singapore, Straits Settlements.	Agency.
Peat.....	475	Porto, Portugal.....	Agency.
Paint Brushes.....	476	Kingston, Jamaica.....	Agency.
Tennis Balls.....	477	Barcelona, Spain.....	Agency.
Roller Skates.....	478	Barcelona, Spain.....	Agency.
Electrical Wire.....	479	Panama City, Panama....	Purchase or Agency.
Kerosene Stoves.....	480	Panama City, Panama....	Agency.
Kerosene Refrigerators.....	481	Panama City, Panama....	Purchase.
Diesel Engines.....	482	Panama City, Panama....	Purchase.
Spelter (Zinc).....	483	Utrecht, Holland.....	Purchase.
Nickel Sheets, Pellets and Cubes.	484	Bangkok, Siam.....	Purchase and Agency.
Cedar for Boats and Canoes.....	485	Skaraborg, Sweden.....	Agency.

**PROPOSED SAILINGS FROM CANADIAN PORTS**

(The sailing dates are approximate and subject to change without notice)

**From Montreal**

*To Liverpool.*—Duchess of Richmond, July 10; Duchess of Bedford, July 17; Montclare, July 25; Duchess of York, July 31—all Canadian Pacific; Antonia, July 15; Andania, July 31—both Cunard-White Star Line.

*To London.*—Beaverhill, July 10; Beaverford, July 17; Beaverville, July 24; Beaverburn, July 31—all Canadian Pacific; Alaunia, July 10; Ascania, July 15; Aurania, July 24; Ausonia, July 31—all Cunard-White Star Line.

*To Manchester.*—Manchester Commerce, July 9; Manchester Division, July 16; Manchester Regiment, July 23; Manchester Citizen, July 30—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Dakotian, Cunard-Donaldson and Dominion Lines, July 17.

*To Southampton.*—A steamer, Canadian Pacific, July.

*To Cardiff, Bristol and Swansea.*—Boston City, July 9; New York City, July 27—both Bristol City Line.

*To Glasgow.*—Letitia, July 10; Airthria, July 17; Sulairia, July 31—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnglen, July 9; Cairnross (calls at Dundee), July 23—both Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kyno, Ellerman's Wilson Line, July 9.

*To Dublin and Belfast.*—Kenbane Head (cargo accepted for Londonderry and Cork), Head Line, July 23.

*To Antwerp and Havre.*—Beaverhill, July 10; Montrose, July 16; Montcalm, July 16; Beaverville, July 24; Beaverburn, July 31—all Canadian Pacific (do not call at Havre); Grey County, July 8; Hada County, July 22—both County Line.

*To Rotterdam.*—Brant County, July 8; Colombia, July 25—both County Line.

*To Hamburg.*—Kellerwald (calls at Bremen), Hamburg-America Line, July 10; Beaverford, Canadian Pacific, July 17.

*To Copenhagen, Gothenburg and Baltic Ports.*—Braheholm, July 8; Korsholm, July 29—both Swedish-America-Mexico Line.

*To Norwegian Ports.*—A steamer, Norwegian-America Line, July.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Motomar, Gardiaz Line, July 17.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Olmo, July 28; Capo Lena, Aug. 25—both Capo Line.

*To Marseilles, Genoa, Barcelona and Spanish Ports.*—Sonja, Canada-Mediterraneo Line, July 15.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Maisol (does not call at St. Pierre), July 8; Delia (calls at Trinity and Conception Bay ports), July 16—both Shaw SS. Co. Ltd.; Belle Isle, Newfoundland-Canada SS. Co., July 17.

To *Cornerbrook, Nfld.*—New Northland, July 6; North Voyageur, July 11—both Clarke SS. Co.

To *Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Chomedy, July 9; Cornwallis, July 23—both Canadian National.

To *Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Lady Rodney, Canadian National, July 8.

To *Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion SS. Corp., July 15.

To *Brisbane, Sydney, Melbourne and Adelaide.*—Canadian Constructor, July 24; Canadian Cruiser, Aug. 28—both Montreal Australia New Zealand Line.

To *Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Canadian Victor, July 24; Canadian Highlander, Aug. 21—both Montreal Australia New Zealand Line.

To *Manila, Hongkong, Shanghai, Yokohama and Dairen.*—City of Derby, Canada Far East Line, July 6.

To *Yokohama, Kobe and Osaka.*—Kongo Maru, Kokusai Line, July 16.

To *Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.*—Calgary, Elder Dempster Lines Ltd., July 20.

To *Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Birmingham, July 10; City of Evansville, July 26—both Ellerman & Bucknall SS. Co.

To *Colombia, Ecuador, Peru and Chile.*—A steamer, Canadian National, monthly

To *Santos and Buenos Aires.*—Tacoma (calls at Montevideo but not at Santos), Canada-South America Line, July 8; Uganda, International Freighting Corp., July 18.

### From Quebec

To *Southampton.*—Empress of Britain, Canadian Pacific, July 11.

### From Saint John

To *Manchester.*—Manchester Exporter, July 25; Manchester Brigade, Aug. 22—both Manchester Line.

To *Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, July 8; Lady Drake, July 22—both Canadian National.

To *Kingston and Jamaican Outports.*—Crawford Ellis, July 10; Harboe Jensen, July 17—both United Fruit Line.

### From Halifax

To *Liverpool.*—Nova Scotia, July 16; Newfoundland, Aug. 1—both Furness Line.

To *London and Hamburg.*—A steamer (calls at Hull, Leith and Dundee), American Hampton Roads, July.

To *Aberdeen, Newcastle and Hull.*—Trentino, July 9; Cavallo, July 28—both Ellerman's Wilson Line.

To *Copenhagen and Baltic Ports.*—A steamer (calls at Gdynia), Gdynia-America Line, July.

To *St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Amherst, Furness-Red Cross Line, July 6; Kongshaug, Newfoundland-Canada SS. Ltd., July 13; Nova Scotia (does not call at St. Pierre), Furness Line, July 16; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., July 15.

To *Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, July 16; Lady Drake, July 30—both Canadian National.

To *Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion Line, July 20.

To *Santiago (Cuba) and Kingston (Jamaica).*—Kirsten B., July 15; Ciss, July 29—both Pickford & Black Ltd.

To *Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Chomedy, July 13; Cornwallis, July 27—both Canadian National.

To *Kingston (Jamaica) and Belize (British Honduras).*—Cathcart, Canadian National, July 6.

To *Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Malayan Prince, July 18; Silvertak, Aug. 1; Cingalese Prince, Aug. 15—all Silver-Prince Line.

To *Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—A steamer, Java-New York Line, July.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Heian Maru, July 18; Hikawa Maru, Aug. 11; Hiye Maru, Aug. 29—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Russia (calls Nagasaki), July 11; Empress of Japan (calls Honolulu), July 25; Empress of Asia (calls Nagasaki), Aug. 8; Empress of Canada (calls Honolulu), Aug. 22—all Canadian Pacific; Ixion, Aug. 2; Talthybius, Aug. 30—both Blue Funnel Line (call at Miike but not at Manila).

*To Shanghai.*—Harlingen, July 30; Stonegate, Aug. 10—both Ocean Shipping Co. Ltd.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Hopecrest, Silver-Java Line, July 31.

*To Honolulu, Suva, Auckland and Sydney.*—Aorangi, July 15; Niagara, Aug. 12—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Kauri, July 15; Golden Bear, Aug. 15—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Limerick, Canadian-Australasian Line, July 14.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—A steamer, Empire Shipping Co., July.

*To Sydney, Melbourne and Adelaide.*—A steamer, July; Hartington, July-August; a steamer, August—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Dinteldyk, July 11; Drechtdyk (calls at Glasgow), July 25; Nitheroy, Aug. 8—all Holland-America Line.

*To London, Liverpool and Cardiff.*—A steamer, Reardon Smith Line, July.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., July.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—A steamer, Empire Shipping Co., July.

*To Scandinavian Ports.*—Buenos Aires, Aug. 6; Canada, Aug. 18—both Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—A steamer, Empire Shipping Co., July.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., July.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—A steamer, Silver-Java Pacific Line, July.

*To Cape Town, Algoa Bay, East London, Durban, and Lourenco Marques.*—A steamer, South African Dispatch Line, August.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—A steamer, July 22; Hardanger Aug. 21—both Empire Shipping Co.

*To Puerto Colombia, Kingston and Tampico.*—A steamer, Gulf Pacific Mail Line Ltd., July.

### From New Westminster

*To London and Liverpool.*—Pacific Reliance (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., July 6; Gaelic Star (calls at Glasgow, Rotterdam and Newcastle), American Mail Line Ltd., July 6; Parthenia (calls at Glasgow), Balfour Guthrie & Co., July 8; Dinteldyk (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., July 12; Memphis City (calls at Avonmouth), B. W. Greer & Son Ltd., July 14; Sacramento Valley (calls at Cardiff), Reardon Smith Line, Aug. 3.

*To European Ports.*—San Antonia, Empire Shipping Co., July 25.

*To Chinese Ports.*—Rokos Vergottis, Canadian Transport Co., July 15.

*To Japanese Ports.*—Heian Maru, B. W. Greer & Son Ltd., July 7.

*To South African Ports.*—Mapia, Dingwall Cotts & Co., July 20.

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

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## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

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Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### MISCELLANEOUS

Annual Report of the Department of Trade and Commerce. (Price 25 cents.)  
Annual Report of the Board of Grain Commissioners for Canada. (Price 25 cents.)  
Annual Report of the Electricity and Gas Inspection Services. (Price 10 cents.)  
Annual Report of Dominion Grain Research Laboratory. (Price 10 cents.)  
Catalogue of Motion Pictures. (Price 25 cents.)  
List of Licensed Elevators, etc. (Price 50 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

NOTE.—Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. Although subscribers to the Commercial Intelligence Journal are entitled to receive such reports free of charge, in all other cases their distribution is controlled by the King's Printer, who fixes a price therefor as indicated in the following list:—

Commercial Intelligence Journal weekly (in English and French), containing Reports of Trade Commissioners and other Commercial Information. Annual Subscription: In Canada, \$1; single copies, 5 cents. Outside Canada, \$3.50; single copies, 10 cents.

Australian Market for Fish Products (1931).

Canadian Export Timbers.

French-Canadian Homespun Industry.

Greece as a Market (1931).

Invoice Requirements: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.

Map of the World showing Trade Routes. (1930 Edition.)

Markets of Central America (1929).

Points for Exporters: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.

Sweden as a Market for Canadian Products (1928).

Switzerland as a Market (1929).

Trade of the African Sub-Continent (1928).

Trade Possibilities of the Baltic States (1929).

Trading with Colombia and Venezuela (1928).

Jugoslavia as a Market (1930).

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics: Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry mining, construction and manufactures; Vital: births, deaths, marriages, divorces.

Canada, 1936. (Price 25 cents.)

Canada Year Book. (Price \$1.50).

Report of the Dominion Statistician, Annual. (Price 10 cents.)

Trade (External), (Imports and Exports)—Annual Reports: Fiscal Year (price \$3), Calendar Year (price 50 cents); Quarterly Report (price \$2 per annum); Monthly Report (price \$1 per annum.)

Trade (Internal), Prices, cost of living, capital movements, etc. (Price 50c. per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*  
*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, Northern Sumatra, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

*Tientsin:* C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

### Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

### Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

### Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

### India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

### Japan

*Tokyo:* J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

*Kobe:* R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

### Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

### Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

### New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

### Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

*Johannesburg:* J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London:* W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

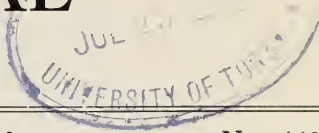
*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City:* D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

# COMMERCIAL INTELLIGENCE JOURNAL



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Diorama of the Empire Exhibition to be held at Johannesburg,  
South Africa, September 15, 1936, to January 15, 1937.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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## TIMBER MARKET OPPORTUNITIES IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, June 3, 1936.—In many respects the Scottish timber trade has characteristics markedly different from those of England. In fact, Scotland can hardly be considered as one market but several, arising from differences due to geographical and traditional causes and local customs. In an ancient country, in spite of the strong modern tendencies towards unification and similarity, local customs persist. That is why it is dangerous and unprofitable to assume that the practice that may have proved itself so well in the South of England, for instance, can be applied to Scotland. These differences are many, and will be referred to from time to time in the report that follows.

The timber used in the Scottish market is partly home-grown and partly imported. The home timber includes larch, beech, elm, oak, and Scotch fir. Imports are drawn from the forests of the world, mainly from the countries on the Baltic and White Seas, the timber being landed at Grangemouth, West of Scotland requirements being transported to Glasgow either by rail or by the Forth and Clyde Canal. The delivery of such woods as Douglas fir, Port Orford cedar, Sitka spruce, etc., was accelerated by the opening of the Panama Canal, and large imports are now customary. In addition, there is a large volume of trade for a variety of purposes in canary wood, hazel pine, tupelo gum, magnolia, Polish oak, Austrian beech, birch, yellow pine, and spruce from Eastern Canada, and mahogany from Africa and Honduras.

Because of the activity, principally in the shipyards and on the part of building contractors, in Scotland in 1935, the demand for imported timber of all kinds was very marked, and showed a great advance over the previous year. For two reasons, it can be taken as certain that the demand during 1936 and subsequent years will be very much greater. The tonnage of ships in the Clyde yards now under order, which have been or are to be laid down in 1936, is already more than double the launching output for 1935.

Again, the housing program of the municipal authorities in all parts of Scotland has been greatly extended. The importance of this great housing program to the Canadian lumber industry was emphasized and details given in a report on "Canadian Timber for Scottish Housing," published in *Commercial Intelligence Journal* No. 1674 (February 29, 1936).

In the whole of Scotland there will be required, in the next ten to fifteen years, probably 300,000 houses. How much of the vast requirements in lumber will be supplied by Canada depends upon several factors, not the least of which is the energy and ability with which Canadian lumber manufacturers and shippers deal with the opportunity.

## Softwoods

### EASTERN CANADIAN SPRUCE

There was a large trade in this wood in Glasgow up to shortly after the War, its main use being the manufacture of box shooks. The Government, finding itself with huge stocks on its hands as a result of its control of supplies during the War, released these stocks, the market was flooded, and trade from Canada practically ceased. This left an opening, when demand again arose for this class of wood, for the development in the trade in Baltic whitewood. At the same time the United States market opened up, and the Canadian shippers ceased to interest themselves in the British market. These conditions continued until the recent slump in trade.

Two years ago quite a revival of interest took place in Eastern spruce owing to a substantial rise in the market, making it possible for Canadian shippers to market profitably. But the trade fell off again, and prices fell. Many of the shipments arriving during the period referred to were irregularly manufactured and many arrived in unseasoned condition. In shipments during the last year or two, while deals from the Lower ports have improved in manufacture and now show much less wane, there is still room for improvement as regards uniformity of manufacture. There has never been any criticism regarding the manufacture of band or gang-sawn stocks from Quebec.

### CAUSES OF FALLING OFF IN TRADE

The comparatively small trade in Scotland in this timber as compared with the days before the War is due to several causes. One of the principal reasons is the falling off in trade in box shooks, especially for whisky cases, resulting from the decrease in the export trade in that commodity and, generally, the greatly increased use of plywood and the cardboard container.

In box shooks from Canada, as distinguished from the timber for making them, a large trade, as has been stated, used to be done, mainly for whisky cases. The difficulty now is one of competition from Scandinavian countries, especially from Sweden. Swedish box shooks, very well made, have been coming in, making it impossible for winter shipments from around Quebec (where excellent material is turned out) to be made from Saint John or Halifax economically. On the other hand, shipments of shooks of Maritime Provinces manufacture (if machines were installed to make shooks) is only possible in winter because there are no summer shipments from Saint John and Halifax. Besides, the Quebec mills are at some distance from Quebec City, so that only cargoes, not parcels, are economically feasible. Another point in favour of Sweden is that an order can be sent to shippers, the goods being forwarded within a week or ten days. Sometimes the goods arrive within a fortnight of placing the order.

The main centres for box-making in Scotland are Aberdeen, Dundee, Edinburgh, and Glasgow. In Aberdeen round logs are brought in (from Russia, except for recent shipments from Newfoundland and Labrador), and the box shooks are turned out expeditiously in one of the largest establishments in the country. In Dundee the manufacturers import sleeper-blocks (a block which, sawn longitudinally down the middle, makes two railway sleepers or ties). In Edinburgh and Glasgow ends or short lengths are used. Some Latvian and Estonian shippers specialize in supplying ends 5/9 feet long for this trade and contract for these without any long lengths being included.

While the quantity of Canadian Eastern spruce used in Scotland for box-making is much less than it was, it is recognized here that this wood is the best for the manufacture of boxes and, because of the absence of odour—especially for boxes intended to contain food products—the trade is still substantial.

## SPRUCE FOR HOUSING

Manchester and the North of England and Northern Ireland are the only areas of the United Kingdom where Canadian spruce is adopted for housing; it has been so used in these localities for generations. In Scotland it has never, to any extent, been used for that purpose, although it is stated that when the increase in shipments took place about two years ago, part of the demand was for this wood in short lengths for housing purposes.

It is difficult to explain why Eastern spruce should be used for housing so extensively in other districts in Great Britain and not in Scotland, except on the score of local custom. The reasons invariably given for the lack of demand in Scotland for this wood for housing is the absence of lengths beyond 16 feet, and poor sawing. Irregular sawing and waney edges were formerly a serious cause of complaint, but during the past two years there has been a great improvement in this respect. There is no reason, therefore, why this timber should not be used in housing in Scotland to an increasing extent so long as the improvement in quality is maintained, the prices quoted are competitive with other woods, and shippers give the lengths specified by buyers. It should make an excellent floor in the houses now being put up by the municipal authorities throughout the country. If a system of grading rules were carefully worked out and applied to shipments to this country, it would be of great advantage to the trade. The advance in the price of Baltic timber should, in the natural course of events, tend to increase the importation of Eastern spruce.

## EASTERN WHITE PINE

This timber, usually called Quebec yellow pine or Ottawa pine in Great Britain, used to enjoy a substantial trade in this country. It has now become one of moderate proportions, although the demand during the past year or so has been on an improved scale as compared with some preceding years. No other wood fulfils so admirably the requirements of engineers for pattern-making. Demand is now mainly for third and fourth quality, 3 inches by 11 inches. Widths of from 7 inches to 10 inches are not in favour, although there is no objection to a small admixture of these with the 11-inch. Winter deals are readily sold, but spring and summer cut is difficult to dispose of.

## DOUGLAS FIR

The use of Douglas fir in Scotland has been growing rapidly in recent years, and the trade is now an important one. It is used for a variety of purposes—in the shipyards for keel blocks and launching timber in place of pitch pine, for ships' decking, for finishings or interior trim in new houses, and, latterly, for house carcassing.

## USE IN SHIPYARDS

The keel blocks of the Cunard-White Star liner *Queen Mary* were of British Columbia Douglas fir. These blocks, after years under pressure of the enormous hull—(work was suspended for several years during the depression)—showed no signs of deterioration other than would have been expected in the case of pitch pine, the timber traditionally used for this purpose. Pitch pine is not now in a position to compete with Douglas fir, but not on account of the import duty; a full drawback is allowed on all import duties on goods destined for the shipyards.

There is reported to be a big demand for decking in No. 2 clear and better Douglas fir, edge-grain, in dimensions in inches of 5 by 2, 5 by  $2\frac{1}{2}$ , and 5 by 3,  $\frac{1}{4}$ -inch full each way—mostly for 5 by  $2\frac{1}{2}$  and 5 by 3, lengths 20 feet and up, average 28 to 30 feet. There is a difficulty now in obtaining this material either from Canada or the United States. Other woods largely used for decking are teak and pitch pine.

## USE OF CLEAR DOUGLAS FIR IN HOUSING SCHEMES

Clear Douglas fir is now used extensively for interior finishings in municipal housing schemes. It is now about five years since the Housing Department of Glasgow Corporation agreed to use this timber for interior finishings. It is also extensively used by speculative builders, who are probably erecting about one-third of the number of houses being put up in Scotland, but of rather a better class than those for which the municipal authorities concern themselves. In fact, clear Douglas fir seems to sell itself and stocks for immediate delivery are always available.

## SITUATION AFFECTING MERCHANTABLE

Merchantable Douglas fir, however, is in another category. The municipal housing authorities of Glasgow and Edinburgh have been using it and are anxious to use it for carcassing if supplies are available locally at competitive prices. But there are two difficulties: the absence in Scotland of stocks upon which contractors can draw when they want them, and the long period that elapses between the placing of an order in British Columbia and the arrival of the lumber here.

Merchant importers are not inclined to carry stocks of Douglas fir in the merchantable grade for the housing schemes, at any rate in the quantities required. Baltic whitewood is the accepted material for rough timber work in Scotland. All builders use it and timber merchants carry large stocks and can supply all required dimensions at short notice. Douglas fir, on the other hand, is only called for by public institutions, influenced by the desire to use Empire materials. It is at best, in the mind of the builder, merely just as good as whitewood, is usually a little dearer, always hard to obtain, and somewhat harder to work. In order to cater for the demand for Douglas fir created by these housing schemes, timber merchants would have to carry duplicate stocks, whitewood for the private and to a large extent for the public builder as well, and fir for, in part, the public builder, without an increase of sales to compensate them for the extra expense.

Another point is that merchants prefer to stock Baltic whitewood in preference to merchantable Douglas fir because when certain lengths are not called for in building requirements they can be used for other purposes where a consumer will not accept Douglas fir as a substitute.

When a housing contract is let (this is awarded, not in a single overriding contract, but individually to builders, joiners, and other trades) work must be started in a few days, and a very short time elapses before the carcassing wood is needed on the job. Clearly a scheme cannot be held up because of the absence of local stocks of Douglas fir, and of the fact that a minimum of three months is required to obtain supplies from British Columbia.

## AS ALTERNATIVE TO BALTIC WHITEWOOD

The Corporation of Glasgow Housing Department found the supply question a problem immediately it decided to use Douglas fir as result of its price equality with the competing wood, Baltic whitewood, for both are entered in the housing schedules as an alternative to each other; it has remained a problem ever since. In the absence of local stocks, it is clear that 100 per cent Douglas fir cannot be used for carcassing in any housing scheme, because delay in construction awaiting timber cannot be permitted. The corporation decided to award its contracts on a basis of 50 per cent whitewood and 50 per cent fir, the joinery contractor starting work at once with Baltic wood in half the houses, and at the same time placing his order for fir in the required dimensions. If the Canadian timber arrives in (say) three months, he completes the scheme with Douglas fir. If the shipment does not arrive in three months, the contractor is allowed to complete the job with any timber available, and the importer is left with the Douglas fir on his hands.

## NECESSITY FOR READILY AVAILABLE SUPPLIES

The ready availability of supplies is a problem for the industry to solve. In Scotland many thousands of houses are being built from identical plans and specifications, and the program is one that will continue for ten or fifteen years. Timber specifications for contract after contract are repetitions; the same dimensions are required over and over again. The British Columbia timber trade can thus anticipate Scottish demands. If this were done, if the necessary number of mills could be allocated to sawing dimensions required in Scotland, deliveries could be made from stocks in British Columbia and reach Scotland in a maximum of three months. Shipments in that way could be not only maintained but greatly increased. (It should be stated that the standard British Columbia sizes—that is, planed all round to finish  $\frac{1}{4}$  inch less in each dimension than nominal size—are not acceptable anywhere in Scotland.) Taking 4,000 houses per annum in Glasgow as the building program of the municipal authorities in their housing scheme, 1,000 in Edinburgh, and 5,000 in the rest of Scotland, the possible consumption would perhaps extend to from 20,000 to 25,000 standards a year for at least ten years.

## SITKA SPRUCE

In Scotland there is now a big demand for No. 2 clear and better Sitka spruce for finishings in better-class houses, large hotels, and shops. It is considered here to be one of the best joinery woods. Owing to the present scarcity, however, attention is being increasingly directed to Western red cedar. There is no demand for lower grades than No. 2 clear and better.

## WESTERN HEMLOCK

This wood is now becoming better known and is being more widely used. It is used for finishings and shelvings in No. 2 clear and better. The merchantable grade has been tried for house carcassing, but was not a success. The inquiry for this wood, however, has suffered by a large proportion of the shipments having been supplied green. If exporters would ship only air-dry or kiln-dried stock, the wood would become more popular.

## RED CEDAR

As might be expected, Western red cedar has made more rapid strides in the South of England than in Scotland, although signs are not wanting that it is becoming slowly known here as well. Its ease of working and its remarkable resistance to rot in damp conditions are qualities which will in time become generally known among architects. It would seem that its general use for different purposes could be hastened by suitable and sustained publicity. As a roofing material it will probably never be used in built-up areas on account of fire regulations, but for out-buildings, poultry houses, sports pavilions, and similar erections in country districts there is no reason why cedar shingles should not command increasing favour because of their light weight, and consequently the lighter and cheaper supporting timbers which might then be used.

## Doors

In view of the great house-building program now in progress in Scotland, no emphasis need be laid on the need here for ready-made doors and the opportunities thus made available to Canadian door manufacturers.

The bulk of the doors for housing schemes are in the ordinary four-panel pattern with three-ply panels  $\frac{3}{8}$  inch thick; stiles, muntins, and top rails  $4\frac{1}{2}$  inches wide, lock rails and bottom rails 9 inches wide, and mouldings on

the solid both sides. Thicknesses of frames are usually  $1\frac{5}{8}$  inch (finished) for pass doors, and  $1\frac{3}{8}$  inch (finished) for press or cupboard doors. The sizes for which there is the largest sale are:—

6' 8" x 2' 8" x ex $1\frac{3}{8}$ "	and ex $1\frac{1}{2}$ " nominal	= $1\frac{3}{8}$ " and $1\frac{3}{8}$ " actual
6' 8" x 2' 6" x ex $1\frac{3}{8}$ "	and ex $1\frac{1}{2}$ " nominal	= $1\frac{3}{8}$ " and $1\frac{3}{8}$ " actual
6' 8" x 2' 4" x ex $1\frac{3}{8}$ "	and ex $1\frac{1}{2}$ " nominal	= $1\frac{3}{8}$ " and $1\frac{3}{8}$ " actual
6' 6" x 2' 8" x ex $1\frac{3}{8}$ "	and ex $1\frac{1}{2}$ " nominal	= $1\frac{3}{8}$ " and $1\frac{3}{8}$ " actual
6' 6" x 2' 6" x ex $1\frac{3}{8}$ "	and ex $1\frac{1}{2}$ " nominal	= $1\frac{3}{8}$ " and $1\frac{3}{8}$ " actual
6' 6" x 2' 4" x ex $1\frac{3}{8}$ "	and ex $1\frac{1}{2}$ " nominal	= $1\frac{3}{8}$ " and $1\frac{3}{8}$ " actual

It is important that doors exported to Scotland should be of the best quality, well seasoned, kiln-dried, and free from chips, bruises, knots, shakes, or other defects. Rails, stiles, and muntins must be edge-grained and close-fitted at the joints.

#### SOURCES OF SUPPLY

The United States, Sweden, and Canada, in order of importance, are the countries of origin of doors imported into Great Britain. The recent increase in shipments from the Dominion is remarkable. This is shown by the figures of imports into the United Kingdom for the years 1932 and 1934, which were £1,584 and £139,997 respectively. This striking increase was no doubt mainly due to the imposition on March 1, 1932, of an import duty on doors of non-Empire origin. This duty was at first 10 per cent ad valorem but was increased to 15 per cent as from April 26, 1932. Later, June 27, 1933, it became 20 per cent or 2s. per door, whichever greater, and since January 31, 1935, it has been levied at 20 per cent ad valorem or 2s. 6d. per door, whichever greater.

The doors used in the municipal housing schemes are not all, or even mainly, imported. Probably the bulk of them are made—of Douglas fir—by British manufacturers.

It is impossible to state what proportion of the imports mentioned above from Canada were used in Scotland, but there is no doubt that considerable numbers were shipped north from importers in England. Now that several Canadian manufacturers have their names and brands on the British "Fair List," to be referred to later, direct shipments from British Columbia to Glasgow are being made, and 12,709 were brought in by that route in 1935.

A point of some importance to manufacturers is that interior doors in Scotland are usually stained, whereas in England they are generally painted. This practice therefore rules out the use in Scotland of doors in which many knots are present. Canadian Eastern white pine doors are therefore not likely to be as easy sellers in Scotland as those of Douglas fir, even if the price were favourable.

In Scotland veneered slab doors are now making headway, and such doors of birch veneer might suit the trade if they are fairly free of knots.

#### THE "FAIR LIST"

The majority of Canadian door makers are no doubt by this time familiar with the fact that, so far at least as Scotland is concerned, no importers would accept an agency for, or arrange for distribution of imported doors without the maker's name and brand being registered on the "Fair List." This is a list of overseas manufacturers who have met the requirements of the joint committee in London of the National Federation of Building Trades Employers and the Amalgamated Society of Woodworkers. This committee was set up in 1921 to see that no manufactured joinery work made under unfair labour conditions is used by the members of the National Federation of Building Trades Employers. To that end the committee agreed to adopt certain regulations which would ensure fulfilment of their purpose. These regulations have to be observed by mills abroad which desire to sell their doors and other joinery in the United Kingdom.

A contractor who sets out to hang doors made by a firm not on the approved list is likely to be faced with a strike by his carpenters, and this risk is so great, in Scotland at least, that importers could not be found who would handle them. It is true that one or two important Scottish contractors pay no attention to the "Fair List" and use doors made abroad that have not met the conditions, shipped to England and railed to Scotland, but no large amount of business in the Scottish market could be hoped for by a Canadian door manufacturer under these circumstances. The regulations of the committee are on file at the office of the Canadian Trade Commissioner in Glasgow, 200 St. Vincent street, and copies may be obtained by interested Canadian firms.

## Hardwoods

### BIRCH

Canadian birch is used in Scotland for five distinct purposes—viz., dowels, spoolwood, flooring, in veneer form for furniture, and solid for furniture.

Dowels are generally imported as such rather than being manufactured here from imported lumber. Spoolwood is brought in in conveniently-sized squares and in large quantities. Birch flooring is imported in the manufactured form. Birch veneers for furniture manufacture are usually bought from English veneer manufacturers; there are no veneer logs brought into Scotland. Consequently the use of birch landed at Scottish ports as logs or lumber is restricted to the furniture industry, where it is largely used as framework for upholstery.

It is also used to some extent in making upholstered chairs, tables, etc., and when so used is often stained to resemble walnut or mahogany. The qualities of birch are thoroughly appreciated by chair manufacturers; one large firm report that at present 75 per cent of the wood they are using is Canadian birch. Manufacturers consider that solid birch is very suitable for use in unupholstered furniture as it takes a better finish than many other furniture woods, but unfortunately this wood is not at present in fashion and is regarded as connoting cheapness. Until this is overcome it will be used principally as a framework where appearance does not count.

An effort has recently been made to interest educational authorities in Scotland in the suitability of birch for school furniture, and the response has been generally favourable provided it is no higher in price than furniture made of the wood now usually employed, American oak. Most of the school furniture in Scotland is made by a firm in Glasgow, who also do a large business in England as well. Furniture manufacturers as a rule buy their birch in boards and are able to use practically all dimensions. One chair manufacturer in Dundee reports that his firm buy logs and saw out the material themselves, but this is not the usual practice. The larger manufacturers purchase their supplies through timber brokers; the smaller buy from timber merchants and sawmillers in this country.

The chief competitor of Canadian birch in the furniture trade is European beech, a cheaper wood, and one that is heavier without having the advantage of additional strength.

### FLOORING

Until six or seven years ago the only hardwood flooring from North America used in Scotland was oak and maple. Birch was quite unknown. Canadian mills supplied very little of the maple flooring, as they were evidently unable to quote prices low enough to compete with mills in Michigan with their immensely greater home market. As Canadian mills were, on the whole, more interested in birch, efforts have been made to interest architects, educational authorities, and others in the use of birch for flooring purposes. After a slow beginning, owing to the absence of visual proof that birch flooring was adequate, the use of this

material began to grow steadily. It is now quite well known, and has been put into use in many schools and other public buildings, and in at least one factory. The fact that it is slightly less hard than maple is more than counter-balanced by considerations of attractive colour and of price. There would be additional inducement to use it if shipments could be guaranteed of an average length of six feet or better. There seems little doubt that the use of Canadian birch flooring will grow.

At the same time Canadian maple has been increasingly used since the British import tariff on non-Empire products has tended to restrict imports of American maple.

#### THE QUESTION OF WIDTH

One handicap to the employment of Canadian hardwood flooring has been the preference in this country for widths greater than is customary in Canadian practice. At first this was a serious difficulty, although more and more the British architect seems to be coming round to favouring the Canadian dimensions and giving up the easy method of simply copying from old and out-of-date specifications.

British practice has been to use 4-inch by 1- or  $1\frac{1}{8}$ -inch (finished  $3\frac{1}{4}$ -inch by  $1\frac{3}{8}$ -inch and  $1\frac{1}{16}$ -inch). Architects and others were in the habit of stating that if Canadian manufacturers wanted to sell their flooring in this country, they would have to supply to the customary specifications. The buyer is of course in a position to dictate terms of this kind, and usually the seller must conform to the practice of the importing country. However, the demand for the wider strip now seems to be yielding, to some extent at least, to the logic of the situation—which is that the cost of a floor of the wider strips is greater than that of the narrow (although the latter is somewhat more costly to lay) by reason of the fact that as the British market will take nothing but first-quality stock, there is no outlet for lower grades in the greater widths either in Britain, or in Canada where the narrow widths are universally used. The wastage of the poorer quality in the wider widths therefore tends to put up the price of the first quality in those widths.

An inquiry recently instituted among the architects and others who have been responsible for specifying Canadian birch floors during the last few years has elicited the unanimous response that such floors laid fully three or more years ago had given entire satisfaction. In most cases they had been subject to hard usage.

### TRADE OF SOUTH AFRICA IN 1935

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

#### II

#### Imports

(Figures in parentheses pertain to 1934. All tons are short tons of 2,000 pounds)

Total imports of merchandise from overseas into the Union of South Africa, exclusive of Government purchases, were valued at £70,627,405 as compared with a total of £63,239,156 in 1934, a net increase of £7,388,249. The increase was almost entirely under the heading of "metals, metal manufactures, machinery, and vehicles," which class of imports accounted for £4,907,593 of the total increase. Decreases were recorded under the heading of "foodstuffs," "leather and rubber and manufactures thereof." In the case of the latter this is, of course, due to increased domestic production.

The tonnage of overseas cargo landed at South African ports amounted to 3,736,286 as compared with 3,240,008 in 1934, an increase of 15.3 per cent.

## COUNTRIES OF ORIGIN

Of the hundred or more countries listed as trading with the Union of South Africa in 1935, sixteen accounted for 91·7 per cent of the total imports or exactly the same proportion as in 1934, and only 0·7 per cent more than in 1933. During 1935 Japan exchanged places with Canada, moving up from fifth to fourth place as a source of supply for the Union's imports. Belgium moved into seventh place, while Sweden dropped back to eighth place. Holland and Italy also exchanged places, with the latter ranking tenth as a source of supply.

The following table illustrates the position of the sixteen principal suppliers, with the percentage of their exports to South Africa for the last three years, based on all imports excepting specie and Government stores:—

Country of Origin	1933		1934		1935	
	£000	Per Cent	£000	Per Cent	£000	Per Cent
Total merchandise . . . . .	47,531	100.0	63,885	100.0	71,618	100.0
1 United Kingdom . . . . .	23,711	49.9	30,717	48.1	34,359	48.0
2 United States . . . . .	5,975	12.6	10,804	16.9	12,697	17.7
3 Germany . . . . .	3,067	6.4	3,041	4.8	3,448	4.8
4 Japan . . . . .	2,064	4.3	2,241	3.5	2,656	3.7
5 Canada . . . . .	1,205	2.5	2,492	3.9	2,436	3.4
6 India . . . . .	1,228	2.6	1,455	2.3	1,634	2.3
7 Belgium . . . . .	928	2.0	1,236	1.9	1,266	1.9
8 Sweden . . . . .	922	1.9	1,257	2.0	1,301	1.8
9 Dutch East Indies . . . . .	655	1.4	845	1.3	894	1.2
10 Italy . . . . .	737	1.6	822	1.3	890	1.2
11 Holland . . . . .	620	1.3	835	1.3	821	1.1
12 France . . . . .	710	1.5	769	1.2	733	1.0
13 Czechoslovakia . . . . .	432	0.9	583	0.9	676	0.9
14 Ceylon . . . . .	496	1.0	532	0.8	668	0.9
15 Finland . . . . .	256	0.5	425	0.7	552	0.8
16 Persia . . . . .	244	0.5	500	0.8	540	0.8
Total sixteen countries . . . .	43,256	91.0	58,560	91.7	65,680	91.7

The value of imports from the United Kingdom showed a substantial increase, but her share of the total trade from "countries overseas" declined from 49 per cent to 48·7 per cent, and also showed a fractional decline in imports of all merchandise as shown above.

Only three of the principal foreign suppliers—viz., the United States, Japan, and Finland—registered an increase in their share of the trade of the Union. Three countries—Canada, Holland, and France—shipped less to South Africa than in 1934, although four additional countries—the United Kingdom, Sweden, Dutch East Indies, and Italy—showed percentage declines in their shares of the total imports.

Japan, which showed a percentage decline in 1934 from 1933, recovered sufficiently to make not only larger shipments to South Africa, but also to obtain a fractional increase in the total imports.

South African statistics are divided into thirteen classes, and in the table following a summary of merchandise imported from overseas is given, comparing imports from the United Kingdom with those from other parts of the British Empire and foreign countries:—

	United Kingdom		Other Parts British Empire		Foreign Countries		Total £000
	£000	Per Cent	£000	Per Cent	£000	Per Cent	
1 Animals, agricultural and pastoral products (not food-stuffs) . . . . .	141	35.9	62	15.8	190	48.3	394
Foodstuffs . . . . .	761	20.1	1,470	38.8	1,560	41.1	3,791
2 Ales, spirits, wines and beverages . . . . .	472	77.8	16	2.6	118	19.6	607
3 Tobacco and mfrs. thereof . . . .	66	25.2	150	56.7	47	18.1	265
4 Fibres, yarns, textiles and apparel . . . . .	10,272	61.8	1,332	8.0	5,004	30.2	16,609
5 Metals, metal manufactures, machinery and vehicles . . . .	15,550	52.3	1,391	4.7	12,781	43.0	29,723
6 Minerals, earthenware, glassware and cement . . . . .	667	37.1	105	5.9	1,025	57.0	1,798

	United Kingdom		Other Parts British Empire		Foreign Countries		Total
	£000	Per Cent	£000	Per Cent	£000	Per Cent	£000
7 Oils, waxes, resins, paint and varnish . . . . .	761	18.8	375	9.3	2,908	71.9	4,045
8 Drugs, chemicals and fertilizers	1,510	50.3	213	7.1	1,280	42.6	3,004
9 Leather, rubber and manufactures thereof . . . . .	726	41.3	335	19.1	696	39.6	1,759
10 Wood, cane, wicker and manufactures thereof . . . . .	205	7.4	287	10.3	2,301	82.3	2,794
11 Books, paper and stationery ..	1,368	55.2	148	6.0	961	38.8	2,478
12 Jewellery, timepieces, fancy goods and musical instruments . . . . .	726	51.7	28	2.0	650	46.3	1,404
13 Miscellaneous . . . . .	1,127	57.9	17	0.9	804	41.2	1,949
Total . . . . .	34,359	48.7	5,936	8.4	30,331	42.9	70,627

The United Kingdom supplied 48.7 per cent of the Union's imports as compared with 49 per cent in 1934. In six out of the thirteen classes the United Kingdom obtained over 50 per cent of the imports in that particular class. This compares with eight out of the thirteen groups in 1934. In the case of ales, spirits, wines, and beverages, the United Kingdom increased her share of the trade from 77.1 per cent in 1934 to 77.8 per cent in 1935. The largest decrease took place in "tobacco and manufactures thereof," the United Kingdom having its share of the imports cut in half. In the two classes, "fibres, yarns, textiles, and apparel" and "metal, metal manufactures, machinery, and vehicles," which constitute about five-sevenths of the total imports, the United Kingdom obtained well over 50 per cent of the total, which is a decrease in the case of "fibres, yarns, textiles, and apparel," but a slight increase under the classification of "metal, metal manufactures, machinery and vehicles." These are the two principal groups of imports.

#### ANALYSIS OF IMPORTS BY GROUPS

The chief sources of supply, with the commodities supplied, by groups, are as follows:—

1. *Animals, Agricultural and Pastoral Products (not Foodstuffs).*—Argentina, £76,028; Holland, £30,756; China, £22,156; Southern Rhodesia, £19,917; Kenya, £18,512; United States, £14,557; Dutch East Indies, £13,059.

*Foodstuffs.*—Ceylon, £554,592; India, £383,489; Brazil, £311,562; Canada, £157,258; United States, £189,734; Portuguese East Africa, £150,144; Argentina, £123,496; Siam, £109,027; Dutch East Indies, £101,947; Norway, £79,322; Kenya, £73,062; Tanganyika, £71,829; Holland, £64,012; Indo-China, £62,881; Uganda, £57,314; France, £43,233; Japan, £42,571; Belgium, £40,228; Southern Rhodesia, £37,730; British West Africa, £35,859; Australia, £35,669; Spain, £35,220.

2. *Ales, Spirits, Wines, and Beverages.*—France, £64,453; Germany, £20,037; Holland, £9,808; Irish Free State, £7,578; Spain, £7,361.

3. *Tobacco and Manufactures thereof.*—Southern Rhodesia, £149,871; Cuba, £21,066; United States, £12,096; Holland, £10,971.

4. *Fibres, Yarns, Textiles, and Apparel.*—Japan, £1,947,379; India, £938,921; United States, £814,343; Italy, £631,388; Germany, £327,961; Belgium, £326,717; Canada, £275,293; France, £262,333; Czechoslovakia, £166,067; Switzerland, £126,808.

5. *Metal, Metal Manufactures, Machinery, and Vehicles.*—United States, £8,546,873; Germany, £1,847,379; Canada, £1,227,153; Belgium, £734,323; Sweden, £502,564; Japan, £212,505; Holland, £182,601; France, £162,975.

6. *Minerals, Earthenware, Glassware, and Cement.*—Germany, £201,897; Belgium, £161,413; Japan, £149,253; Czechoslovakia, £129,239; United States, £112,230.

7. *Oil, Waxes, Resin, Paint, and Varnish.*—United States, £1,213,247; Dutch East Indies, £672,028; Persia, £532,884; India, £191,405; Russia, £129,196; Belgian Congo, £89,168; Ceylon, £88,505; Holland, £70,288; Germany, £55,565.

8. *Drugs, Chemicals, and Fertilizers.*—Germany, £254,990; United States, £242,953; Holland, £213,831; Canada, £162,199; Czechoslovakia, £103,415; France, £84,763; Italy, £78,422.

9. *Leather, Rubber, and Manufactures thereof.*—Canada, £269,479; United States, £259,911; Germany, £152,738; Czechoslovakia, £54,101; Holland, £52,943; Dutch East Indies, £49,385; Japan, £33,748; Straits Settlements, £32,885.

10. *Wood, Cane, Wicker, and Manufactures thereof.*—India, £54,930; Canada, £135,282; Australia, £63,341; Finland, £479,252; Poland, £74,612; Russia, £206,008; Sweden, £425,366; Japan, £90,800; Siam, £107,463; United States, £596,852.

11. *Books, Paper, and Stationery.*—Canada, £143,901; Finland, £62,821; Germany, £138,735; Holland, £79,903; Norway, £126,622; Sweden, £296,176; United States, £158,810.

12. *Jewellery, Timepieces, Fancy Goods, and Musical Instruments.*—Czechoslovakia, £74,005; Germany, £137,094; Italy, £51,173; Switzerland, £76,823; Japan, £126,168; United States, £141,549.

13. *Miscellaneous.*—Germany, £275,259; United States, £388,552.

#### ANIMALS, AGRICULTURAL AND PASTORAL PRODUCTS

The chief source of supply under this heading was, as shown in the foregoing table, the United Kingdom, with 35·9 per cent of the total, valued at £141,000, followed in turn by Argentina with £76,028 and Southern Rhodesia with £19,917. This group is of comparatively little importance, and the main commodities imported under this heading are sheep's wool, hides and skins, sausage casings, and vegetable seed. In sausage casings, Canada has practically been eliminated as a source of supply; China is credited with over 50 per cent of the total imports, followed by the United States and Holland. In vegetable seed the total imports amounted to 308,646 pounds valued at £13,281. The United Kingdom is the chief source of supply, followed by France. There are no imports from Canada. This is a commodity in which Canada should be able to obtain a share of the market in at least some of the many kinds of seed imported.

#### FOODSTUFFS

Total imports of foodstuffs in 1935 were valued at approximately the same as in 1934, namely, £3,791,946 (£3,787,782). Imports under this heading came from many countries, the more important being the United Kingdom, which obtained over 20 per cent, followed by Ceylon, India, Brazil, the United States, Canada, and East Africa. The United Kingdom is the main source of supply for biscuits, confectionery, golden syrup, pickles, sauces, chutneys, etc.; Ceylon and India supply most of the tea, rice, ground nuts, and ghee. Brazil is the main source of supply for coffee. The United States supplied a large quantity of the canned goods imported. Imports from the Dominion dropped by almost half, being valued at £157,258 as compared with £333,655 in 1934. This decline was almost entirely in wheat. A large number of the other foodstuff products imported from Canada showed increases, and some that had not been credited in recent years, such as biscuits and jellies, obtained a small share of the market.

#### ALES, SPIRITS, WINES, AND BEVERAGES

Imports were valued at £607,528 (£551,301). It is in this class of product that the United Kingdom obtains the largest percentage share of the total imports, amounting to 77·8 per cent, or £472,767. France and Germany were also sources of supply, the one chiefly for wines and the other for ale. Germany supplied about 50 per cent of the total imports of ale, beer, and stout, the United Kingdom practically the entire amount of whisky imported, and France practically all the brandy.

#### TOBACCO, CIGARS, AND CIGARETTES

This is the smallest class of imports, and was of a total value of £265,046 as compared with £106,920 in 1934. This unusually large increase is due almost entirely to the inclusion of Southern Rhodesia in the tables relating to the external trade of the Union of South Africa, as the result of the trade agreement that was entered into early in 1935. Formerly, figures for Southern Rhodesia appeared in a separate table. Apart from Southern Rhodesia, which now appears as the chief exporter of unmanufactured tobacco to the Union, the

United Kingdom is the chief source of supply. Cuba was the largest source of supply of cigars, with imports valued at £21,047 out of total imports of £45,636, followed by Holland with £10,939. Cigarettes, almost entirely from the United Kingdom, were valued at £65,033 (£57,641).

#### FIBRES, YARNS, TEXTILES, AND APPAREL

Total imports under this heading were valued at £16,609,636 as against £15,616,779 in 1934. The United Kingdom was by far the chief source of supply with 61 per cent of the total, valued at £10,272,430—a slight increase over 1934, but on a percentage basis 2 per cent. Japan was credited with £1,947,379, an increase of £1,575,064, India with £938,921 (£887,840), the United States with £814,343 (£671,571), and Italy with £631,388 (£582,520). Substantial imports were also received from Belgium, Germany, France, and Canada, the last-named being credited with £275,293 (£251,703).

Cotton piece-goods accounted for £3,666,398. The United Kingdom was credited with £2,947,217 (£3,026,614) and Japan with £469,405 (£297,744). Under this heading Japan has continued to make steady headway.

Imports of woollen piece-goods were valued at £1,666,803, of which the United Kingdom supplied £1,392,010. Japan showed a great increase—£88,548 as compared with £20,584 in 1934.

Women's outer garments were valued at £1,693,461, of which the United Kingdom is credited with £1,099,459. Germany, Japan, and Austria supplied most of the remainder. Men's outer garments were valued at £716,603 (United Kingdom, £494,405).

Rayon piece-goods were imported to the value of £957,661, practically the same as in 1934, of which the United Kingdom obtained £295,227 (£291,470) and Japan £470,905 (£450,740). Jute bags were valued at £780,229, almost entirely from India. Hosiery amounted to £708,150, of which the United Kingdom supplied to the value of £248,930 and Canada £213,713 (£17,000).

Underclothing was imported to the value of £543,704, the United Kingdom supplying to the extent of £413,821; and hats and caps to the value of £481,747, of which the United Kingdom obtained £296,977. Italy was the second largest supplier, particularly in felt hats.

#### METALS, METAL MANUFACTURES, MACHINERY, AND VEHICLES

This classification constitutes by far the largest of the thirteen classes, and it is not possible to consider the imports under this heading without some special reference to the rapid expansion which took place in the nascent iron and steel industry of the Union during the year.

The South African Iron and Steel Industrial Corporation Limited, usually known as ISCOR, began production in 1934. It not only worked to capacity throughout 1935, but added to its range of products by bringing into production a complete sheet works operating on ISCOR sheet bar and capable of turning out 33,000 tons of sheets per annum. In addition, arrangements were completed for an important series of extensions which will double the capacity of the blast furnaces, increase the capacity of the steel smelting department, and provide a finishing plant for the light mill. An iron foundry is also in the process of development, and plans for the erection of a plate mill are under consideration.

The Union Steel Corporation also made additions to its plant during the year. In 1934 extensive additions were made to the steel foundry, and in order to serve this adequately it was found necessary to raise the ingot capacity of the furnaces during 1935 to about 48,000 tons per annum.

Although the industry as a whole was working full time and increasing its capacity throughout the year, there were numerous complaints regarding the dumping of certain steel products into the Union, particularly by Continental producers, at extremely low prices. The Government met this complaint by imposing in succession first a freight dumping duty and then an ordinary dumping duty.

It was apparently felt by the ISCOR interests that these measures were insufficient, and in the closing days of the year the chairman, together with the Commissioner of Customs, left for Europe to conduct negotiations with the British and Continental steel interests with the object of arriving at some equitable method for dividing the market for iron and steel products.

In spite of the above-mentioned developments, imports of iron and steel and manufactures thereof as a whole increased substantially during 1935, the principal exceptions being the more primary, imports of which fell considerably. The main reason for this rise was undoubtedly the tremendous industrial activity enjoyed by the Union during the year, which increased the demand for iron and steel products of all kinds to a much greater extent than the local industry's ability to supply.

Imports for 1935 were valued at £29,723,801 (£24,729,394), being the fourth year in which a substantial increase has been recorded, and three times the imports of 1932. The United Kingdom was the chief source of supply with 52 per cent valued at £15,550,993, and if Government purchases were included the proportion would be still higher. Other important countries of origin were the United States with £8,546,873, Germany with £1,847,379, Canada with £1,227,153, and Belgium with £734,323.

The more important groups of commodities making up this classification consisted of motor vehicles, with imports in 1935, including chassis and trucks, valued at £5,711,676, which compares with £4,982,646 in 1934; and, as in 1933 and 1934, the United States was by far the chief source of supply. Parts and accessories were valued at £1,233,603 as compared with £1,107,309 in 1934. Imports of agricultural implements were valued at £1,539,933 (£1,241,990). The United States, the United Kingdom, Canada, and Germany obtained the bulk of the market in the order listed.

Electrical machinery imported in 1935 was valued at £1,962,316 (£1,354,055), of which the United Kingdom supplied £1,483,293 (£1,044,792). This item does not include electrical fittings and many other forms of electrical material.

Mining machinery, not specially classified, formed another large item, with imports valued at £1,786,335 (£1,251,371), of which the United Kingdom was the chief source of supply. Although a substantial increase was registered, nevertheless, in view of the tremendous development which has taken place among the mines, an even larger increase was anticipated.

An illustration of the advance in industrial undertakings in the Union is to be found under the item "boilers for industrial purposes," which imports for last year were valued at £676,773 (£288,068), or 200 boilers as against 161 boilers in 1934, of which 179 last year came from the United Kingdom.

Imports of pipes and tubes were valued at £914,972 (£841,668); and wireless apparatus at £531,627 (£525,521). Imports of wire and wire products all showed substantial increases, with the United Kingdom as the chief source of supply of each of the above commodities.

#### MINERALS, EARTHENWARE, GLASSWARE, AND CEMENT

Total imports under this heading were valued at £1,798,800 as compared with £1,383,221 in 1934. The United Kingdom was the chief source of supply with £667,855 or 37.1 per cent of the total, followed by Germany, £201,897; Belgium, £161,413; Japan, £149,253; and Czechoslovakia, £129,239.

The most important product imported under this class was cement—149,733 tons (32,822 tons) valued at £223,180 (£49,750). In view of the tremendous amount of building that has taken place in the Union during the past year, it is not to be wondered at that the local factories were unable to supply the demand, which necessitated this great increase in imports. Belgium was the chief source of supply with 59,695 tons (11,630 tons) valued at £69,945 (£16,198), followed by Yugoslavia with 41,086 tons (17,468 tons) valued at £46,500 (£20,591).

China and porcelainware were imported to the value of £227,462 (£233,414). The United Kingdom was credited with £120,796 (£118,110) and Japan with £93,417 (£97,027). Glass bottles and jars, £188,944 (£169,556), of which the United Kingdom supplied to the value of £74,816 (£66,858); Germany, £39,634 (£24,766); the United States, £32,952 (£33,606). Plate glass, £116,615 (£93,981), of which the United Kingdom was credited with £105,295 (£89,444).

Tiles, flooring and for paving and walls, were imported to the value of £115,543 (£88,738), of which Germany supplied £51,978 (£46,621) and Czechoslovakia, £39,772 (£15,731).

## OILS, WAXES, RESINS, PAINT, AND VARNISH

Total imports under this heading were valued at £4,045,126 as compared with £3,599,855 in 1934. This is one of the few groups of commodities in which the United Kingdom does not obtain the largest share of the total market, being credited with £761,178 or 18·8 per cent. In view of the fact that motor spirit comes under this classification, foreign countries are the chief sources of supply. Furthermore, in view of the very large number of motor cars imported into the Union during the last two years, there is a substantial increase in the total imports under this heading. The United States supplied to the value of £1,213,247; the Dutch East Indies, £672,028; Persia, £532,884; India, £191,405; and Russia, £129,196.

Motor spirit was naturally the most important item in this group, with imports valued at £1,338,876 (£1,164,849). The chief sources of supply were: Persia, £422,913 (£402,292); Dutch East Indies, £419,172 (£363,287); United States, £376,098 (£283,011). This was followed by fuel oil, crude and lubricating, of which imports were valued at £675,333 (£584,243). The United States is credited with over 50 per cent of the total, namely £356,290 (£311,303).

Ready-mixed paints were imported to the value of £259,248 (£243,388). The United Kingdom is the chief source of supply with imports valued at £132,635 (£128,135), followed by the United States with £101,324 (£93,009).

Imports of waxes amounted to 13,928 tons (11,412 tons) valued at £291,412 as compared with £245,819 in 1934. India was the chief source of supply for paraffin wax, followed by the Dutch East Indies, but beeswax came chiefly from the Dutch East Indies.

Imports of soap into the Union were confined chiefly to toilet soaps of the better grades. Total imports were valued at £82,081 (£56,842). The United States supplied over 50 per cent and the United Kingdom practically the remainder.

There were large importations of palm oil and other vegetable oils for the domestic soap industry.

## DRUGS, CHEMICALS, AND FERTILIZERS

Total imports under this heading were valued at £3,004,283 as compared with £2,844,333 in 1934. The United Kingdom was the chief source of supply with imports valued at £1,510,289, or 50 per cent. Other sources of supply included Germany, £254,990; United States, £242,953; Holland, £213,831; Canada, £162,199; and Czechoslovakia, £103,412.

The most important product imported under this heading consisted of cyanide, 11,254 tons (9,182 tons) valued at £446,481 (£371,152). The United Kingdom is credited with 3,129 tons (3,861 tons) valued at £195,258 (£199,051) and Canada with 6,243 tons (3,871 tons) valued at £153,925 (£91,885).

Glycerine was imported to the value of £276,208 (£256,062), with the United Kingdom, France, and Holland the chief sources of supply.

Superphosphates were imported to the value of £151,981 (£186,173), almost entirely from Germany.

Imports of perfumery and toilet preparations were valued at £291,506 (£282,932). The United Kingdom and the United States were the principal sources of supply.

## LEATHER, RUBBER, AND MANUFACTURES THEREOF

Total imports under this heading in 1935 were valued at £1,759,276 as compared with £1,906,783 in 1934. This decrease is further evidence of the effect of local industries on imports. The United Kingdom was again the chief source of supply with £726,978, or 41·3 per cent, followed by Canada with £269,479, the United States with £259,911, Germany with £152,738, and Czechoslovakia with £54,101.

Footwear formed one of the largest commodities imported under this heading, with imports valued at £410,970 (£402,357). The United Kingdom was the chief source of supply with £233,808 (£243,799).

Motor car tires and tubes were valued at £406,594 (£623,493)—almost entirely from Canada, the United Kingdom, and the United States.

Calf leather imports were valued at £132,118 (£100,235), Germany and Holland being by far the chief sources of supply.

Unmanufactured rubber imports showed an increase, which represented crude rubber imported for the domestic industries. Imports in 1935 amounted to 1,462 tons (1,257 tons) valued at £64,700 (£53,962).

## WOOD, CANE, AND WICKER, AND MANUFACTURES THEREOF

Total imports under this heading showed a slight increase, being valued at £2,794,472 as compared with £2,712,373 in 1934. In view of the enormous amount of building that has taken place and the expansion in the gold mines, an even larger increase was anticipated. The chief sources of supply were the United States (£596,852), Finland (£479,252), Sweden (£425,366), Russia (£206,008), and Canada (£135,282).

Unmanufactured softwoods was the largest single item. Large imports of hardwoods were also recorded, followed in turn by manufactured softwoods such as flooring and ceiling boards and box shooks. In view of the importance of this classification to the Dominion, the individual items will be dealt with in more detail under the heading "Imports from Canada."

## BOOKS, PAPER, AND STATIONERY

Imports of books, paper, and stationery were valued at £2,478,823 as compared with £2,275,401 in 1934. The chief source of supply was the United Kingdom (£1,368,024, or 55 per cent of the total), followed by Sweden (£296,176), United States (£158,810), Canada (£143,901), and Germany (£138,735).

Printing paper was the largest single item, with the United Kingdom as the chief source of supply, followed by Canada.

Imports of wrapping paper showed a substantial increase, and were received largely from Sweden. Supplies from the Dominion have almost entirely ceased.

## JEWELLERY, TIMEPIECES, FANCY GOODS, AND MUSICAL INSTRUMENTS

Imports under this classification were valued at £1,404,757 as compared with £1,352,488 in 1934. The United Kingdom supplied to the value of £726,004, or 51 per cent. Other sources of supply were: the United States, £141,549; Germany, £137,094; Japan, £126,168; and Switzerland, £76,823.

Watches were received chiefly from Switzerland; fancy goods and jewellery largely from the United Kingdom. The latter also supplied most of the musical instruments, toys, and sporting goods. Imports of sporting goods were valued at £182,502 (£179,463) and toys at £186,248 (£196,929).

## MISCELLANEOUS

Total imports under this heading were valued at £1,949,683 as compared with £1,612,081 in 1934. The United Kingdom supplied to the value of £1,127,893, or nearly 58 per cent; the United States, £388,552; and Germany, £275,258.

Some of the larger items in this classification consist of cartridges, £46,264 (£40,914); fuses, other than detonators and percussion caps, £351,027 (£283,005); sound films, £214,000 (£184,749). There were also large imports of surgical and dental instruments, tanning extracts, and school and hospital furniture.

## TRADE OF THE BELGO-LUXEMBURG ECONOMIC UNION

## HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(One metric quintal equals 220.46 pounds; and one Belgian franc is the equivalent of approximately \$0.0338 at the present rate of exchange, while its value averaged \$0.047 in the three months previous to devaluation.)

Brussels, June 19, 1936.—According to the Belgian official statistics, imports and exports of the Belgo-Luxemburg Economic Union for the quarter ended March 31, 1936, amounted respectively to 78,472,643 metric quintals valued at 5,324,223,000 francs and 53,278,459 quintals estimated at 4,757,665,000 francs, as compared with 72,279,488 quintals valued at 3,295,296,000 francs, and 43,790,218 quintals valued at 3,341,832,000 francs for the corresponding period of the previous year. These figures indicate therefore an increase of 6,193,155 quintals in the volume of imports and an improvement of 2,028,927,000 francs in their value, and an advance of 9,488,241 quintals and of 1,415,833,000 francs

in the volume and value of exports. They show also that the excess in the volume of imports over exports has decreased from 28,489,270 to 25,194,184 quintals or by 3,295,096 quintals, while the balance of trade, which was favourable to the extent of 46,536,000 francs in the first quarter of 1935, was unfavourable by 566,558,000 francs in the first quarter of 1936, a decrease of 613,094,000 francs.

Subjoined are tables giving the figures of imports and exports of the Belgo-Luxemburg Economic Union for the quarters ended March 31, 1936 and 1935 respectively, under the five categories as established by the Convention of Brussels (December 31, 1913):—

### Imports

Categories	Jan.-Mar., 1936	Jan.-Mar., 1935	Jan.-Mar., 1936	Jan.-Mar., 1935
	In Metric	Quintals	In 1,000	Belgian Francs
Living animals . . . . .	42,870	24,201	14,237	8,343
Foodstuffs and beverages . . . . .	9,653,700	8,061,233	1,026,798	660,678
Raw materials and semi-manufactured goods . . . . .	67,008,224	62,736,277	2,886,286	1,713,643
Manufactured goods . . . . .	1,767,806	1,457,740	1,296,386	854,367
Gold and silver . . . . .	43	37	100,516	58,265
Total . . . . .	78,472,643	72,279,488	5,324,223	3,295,296

### Exports

Categories	Jan.-Mar., 1936	Jan.-Mar., 1935	Jan.-Mar., 1936	Jan.-Mar., 1935
	In Metric	Quintals	In 1,000	Belgian Francs
Living animals . . . . .	20,154	16,359	18,596	12,933
Foodstuffs and beverages . . . . .	1,484,958	1,645,661	261,168	192,803
Raw materials and semi-manufactured goods . . . . .	40,560,799	30,386,808	2,182,814	1,376,740
Manufactured goods . . . . .	11,211,680	11,740,531	2,217,823	1,692,273
Gold and silver . . . . .	868	859	77,264	67,023
Total . . . . .	53,278,459	43,790,218	4,757,665	3,341,832

As is evident from the above figures, increases were shown in the volume and value of all categories of imports, in the volume of exports of living animals, raw materials and semi-finished products, and gold and silver, and in the value of all classes of exports, the only decreases being in the volume of exports of foodstuffs and beverages, and manufactured goods.

### TRADE WITH CANADA

Imports from Canada for consumption in Belgium and the Grand Duchy of Luxemburg amounted during the period under review to 1,038,164 quintals valued at 106,061,000 francs (\$3,535,366 at the present rate of exchange) as compared with 314,804 quintals assessed at 19,669,000 francs (\$936,619 at the pre-devaluation rate of exchange) in the first quarter of 1935. Exports to Canada totalled 68,299 quintals estimated at 36,482,000 francs (\$1,216,060 at the present rate of exchange) against 47,916 quintals of a value of 21,323,000 francs (\$1,015,381 at the pre-devaluation rate of exchange). There were consequently increases of 723,360 quintals and \$2,598,747 respectively in the volume and value of Canadian exports for consumption in Belgium and the Grand Duchy of Luxemburg; on the other hand, Belgian exports to the Dominion advanced by 20,383 quintals in volume and \$200,679 in value. The balance of trade, represented by 69,579,000 francs (\$2,319,300 at the present rate of exchange) was favourable to Canada, contrary to what was the case for the first quarter of 1935, when the balance of trade was unfavourable to the Dominion to the extent of 1,654,000 francs (\$78,762 at the pre-devaluation rate of exchange).

The substantial advance in imports from Canada into the Belgo-Luxemburg Economic Union during the first quarter of 1936 in comparison to that of 1935 is more than accounted for by higher exports of wheat, which rose from 13,728,000 francs (\$653,714 at the pre-devaluation rate of exchange) to 101,130,000 francs (\$3,371,000 at the present rate of exchange), an increase of \$2,717,286.

### CANADIAN GOODS IN TRANSIT

The Belgian official statistics indicate that Canadian goods in transit amounted to 229,388 quintals valued at 19,850,000 francs (\$661,666 at the present rate of exchange) in the first quarter of 1936, against 83,990 quintals estimated at 9,737,000 francs (\$463,666 at the pre-devaluation rate of exchange) in the corresponding quarter of 1935, an advance of 145,398 quintals in volume and of \$198,000 in value.

Imports from Canada into the Belgo-Luxemburg Economic Union, including goods for consumption in Belgium and Luxemburg and those in transit, stood therefore at 1,267,552 quintals assessed at 125,911,000 francs (\$4,197,032 at the present rate of exchange) in the three months ended March 31, 1936, as compared with 398,794 quintals of a value of 29,406,000 francs (\$1,400,300 at the pre-devaluation rate of exchange) in the three corresponding months of 1935, an increase of 868,758 quintals in volume and \$2,796,732 in value.

## FOREIGN TRADE OF EGYPT, 1935<sup>1</sup>

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

(One Egyptian pound (£E) at par equals \$4.99; the Egyptian currency and sterling have a fixed ratio, one pound sterling being equivalent to 975 millimes or £E0.975)

### V. Imports—Concluded

#### COMMON METALS AND MANUFACTURES

In 1935 Egypt's imports of common metals, mostly semi-manufactured or fully manufactured, excluding machinery, were valued at £E2,908,240 compared with £E2,635,914 in 1934 and £E2,148,111 in 1933. Supplies are almost exclusively from European markets.

#### IRON AND STEEL

*Pig Iron.*—Imports of pig iron totalled 2,809 metric tons valued at £E8,529, mainly from India.

*Structural Steel.*—Imports of iron and steel bars, beams, and other profiles totalled £E558,825, of which Belgium supplied 70 per cent.

*Rails.*—There were 18,128 metric tons of iron rails, fish-plates, and sleepers imported, valued at £E101,443. Belgium supplied 5,220 tons, the United Kingdom 4,426 tons, and Germany 2,865 tons.

*Wire.*—Iron and steel wire imports totalled 2,411 tons valued at £E33,830, of which 50 per cent consisted of tin, copper, or zinc coated wire.

*Netting and Gauze.*—Imports of iron or steel wire netting amounted to 294 metric tons valued at £E9,872, chiefly from Belgium, besides 157 tons of wire gauze valued at £E7,435, mainly from Germany.

*Wire Nails.*—Imports of wire nails, cramps, rivets, and hooks totalled 5,151 metric tons valued at £E55,952.

Imports of common nails amounted to 444 tons valued at £E10,434.

*Screws and Bolts.*—Imports of screws, bolts, rivets, eyebolts, and nuts totalled 3,043 metric tons valued at £E58,069, Belgium having 60 per cent of this trade.

<sup>1</sup> The first section of this report, which deals with the trade of Egypt in general terms, was published in No. 1689; the second, on imports of food, beverages and tobacco, in No. 1690; the third, on imports of mineral products, chemicals, and leather and rubber, in No. 1691; and the fourth, on wood and textile products, in No. 1692.

*Sheets.*—Total imports of iron or steel sheets, common, amounted to 26,851 tons (£E219,101); galvanized, 5,461 tons (£E55,681); coated, 8,505 tons (£E148,114). The United Kingdom and Belgium are the chief sources of supply.

*Pipes.*—There were 7,806 metric tons of non-malleable iron pipes imported valued at £E61,623, chiefly from the United Kingdom, France, and Belgium. Joints and fittings amounted to £E5,107.

Imports of malleable iron pipes, common (not perforated), totalled 4,791 metric tons valued at £E75,619. Apart from this, 546 tons (£E6,265) of piping, joined without solder, were imported.

There were also imported 4,064 metric tons of malleable iron pipes, coated with tin, lead, or zinc, representing a value of £E67,078. Of this total the United Kingdom supplied 1,460 tons, Germany 800 tons, France 420 tons, the United States 415 tons, and Japan 154 tons.

*Girders.*—Imports of iron or steel structures of all kinds, excluding tanks and reservoirs, amounted to 5,684 metric tons valued at £E115,861, chiefly from the United Kingdom, Belgium, and Germany.

*Stoves.*—Imports of non-malleable cast iron stoves, enamelled or decorated, were valued at £E13,065; and of other stoves, heaters, and ranges of cast iron or sheet iron at £E8,957.

*Tools.*—The imports of spades, mattocks, and hoes, of iron or steel, amounted to £E3,195; hand-saws, £E1,074; other saws, £E5,428; files, £E10,058. Imports of tools for machine tools totalled £E9,253, and of other tools £E28,863.

*Furniture.*—Imports of iron bedsteads were valued at £E1,179. The demand for this article is mainly supplied by local manufacturers.

Imports of tables, chairs, and other iron or steel furniture totalled £E15,311, of which the United States accounted for £E3,012 (compared with £E7,537 in 1934) and the United Kingdom £E3,451 (£E3,859 in 1934).

#### COPPER

The value of imports of copper goods of all kinds during 1935 was £E326,397. The largest single item was £E147,965 for copper bottoms used for making cooking pots and pans, etc., the chief suppliers being the United Kingdom, Germany, and Belgium.

Imports of copper, rough, cast, and scrap, totalled 53 metric tons valued at £E1,879.

*Sheets.*—There were 62 metric tons of common copper sheets imported valued at £E2,827, and 194 tons of brass sheets and squares (£E8,616).

*Bars and Wires.*—Imports of common, rolled, or drawn copper bars totalled 86 tons valued at £E3,634, while copper wire amounted to 180 tons (£E7,241).

*Tubes and Pipes.*—There were 163 tons of copper tubes and pipes imported (£E8,129), and 582 tons of brass piping (£E29,928).

*Cables.*—148 metric tons of copper wire cables, not insulated, were imported, totalling £E6,550.

*Miscellaneous.*—Other items included: copper wire gauze, £E11,527; copper or brass locks, bolts, padlocks, and keys, £E19,402; building, furniture, or household wares, £E39,749.

#### NICKEL

Total imports of nickel goods during 1935 were valued at £E30,991, and included sheets (£E1,094), bars and wire (£E2,241), and nickel wares of all kinds (£E25,302).

#### ALUMINIUM

Total imports of aluminium amounted to £E28,846, made up as follows: scrap, £E462; powder, £E1,406; sheets, £E3,153; thin leaves, £E8,999; wires and tubes, £E5,246; cables, wire gauze, screws, bolts, etc., £E346; household and kitchen ware, £E9,117.

#### LEAD AND ZINC

Imports of lead during 1935 were valued at £E17,662, consisting of crude and scrap lead (275 tons valued at £E3,884); sheets (£E3,148); wire, tubes, pipes, and joints (£E4,479); miscellaneous manufactures (£E5,949).

There were 470 tons of zinc sheets and plates imported, valued at £E8,664. Imports of all other zinc goods were valued at £E5,553, which included crude and scrap zinc valued at £E4,682.

#### CUTLERY

Imports of knives during 1935 were as follows: non-folding, £E6,541; pocket knives, £E5,638; folding knives with one blade, £E538; and carving sets, £E193.

Gardeners' scissors amounted to £E212; other scissors were valued at £E5,277 and pruning shears at £E189.

Imports of razors of all kinds totalled £E6,652. There were 8,670 kilograms of unfinished blades for safety razors imported valued at £E1,319, and 8,321,000 finished blades valued at £E18,042.

#### PETROLEUM STOVES

Out of total imports of petroleum and alcohol stoves valued at £E19,546, Sweden supplied £E15,546, mostly of the brass "Primus" type.

#### MACHINERY

The total value of boilers and non-electrical machinery and mechanical apparatus imported into Egypt during 1935 was £E1,283,699 compared with £E1,099,228 in 1934 and £E821,180 in 1933.

*Boilers.*—Imports of steam generators and boilers totalled £E16,426. Imports of non-malleable cast iron economizers amounted to £E7,587; and of heaters, super-heaters, and refrigerators to £E11,653.

*Engines and Pumps.*—Imports of stationary steam engines totalled £E22,732, and of portable or semi-fixed engines £E1,330.

Imports of stationary internal combustion engines were valued at £E169,591, of which the United States supplied £E117,033 and Germany £E29,535. Imports of portable or semi-fixed type totalled £E8,149.

Imports of pumps, stationary, steam, or internal combustion, totalled £E41,298. The United Kingdom was credited with £E18,846, Switzerland with £E10,593, and Germany with £E4,759.

Parts of engines and pumps totalled £E57,104.

*Tractors.*—There were 302 tractors imported last year valued at £E60,860, of which the United States supplied 126 (£E25,790) and Germany 126 (£E25,790).

*Locomotives.*—There were 26 locomotives and tenders imported, total weight 626 tons, value £E42,498.

*Weighing Apparatus.*—The value of weighbridges imported in 1935 was £E5,376. Imports of apparatus, lifting and loading or unloading, jacks, pulleys, etc., portable, totalled £E6,128, and not portable £E60,061. Imports of balances or scales, mechanical or other, were valued at £E7,482.

*Agricultural Machinery.*—Imports of machinery and apparatus of all kinds for agricultural use were valued at £E30,321, of which the United Kingdom supplied £E12,720, Germany £E7,458, and the United States £E5,543. Cream separator imports totalled £E598.

*Machine Tools.*—Total imports of machine tools were valued at £E26,273, the United Kingdom being credited with £E13,083 and Germany with £E5,280.

#### ELECTRICAL GOODS

Imports of electrical machinery, apparatus, and materials during 1935 amounted to £E830,588. This category includes generators, motors, batteries, accumulators, wireless apparatus, lamps, and insulated wire and cables.

*Generators.*—Imports of electric generators, motors, and transformers totalled £E107,476.

*Batteries.*—Imports of electric batteries and parts were valued at £E17,542 and of accumulators and parts at £E28,704. For the latter category, the United Kingdom is credited with £E17,680 and the United States with £E4,686.

*Radio Sets.*—There were 26,093 radio sets imported, total value £E176,246. The leading suppliers were: United States, 12,037 sets (£E82,776); Holland, 10,394 sets (£E66,393); the United Kingdom, 1,075 sets (£E7,863); and Germany, 1,375 sets (£E10,006).

Imports of electric lamps for wireless apparatus were valued at £E10,439 against £E10,691 in 1934.

*Wire and Cable, Insulated.*—Imports of submarine and subterranean cables totalled 2,177 tons valued at £E62,062, mostly from Germany (£E22,716) and Belgium (£E16,420).

Imports of other insulated electric wire and cable totalled £E38,537. Germany was credited with £E12,646, Great Britain with £E10,721, and Belgium with £E7,564.

*Domestic Apparatus.*—Imports of electric irons amounted to £E639. There were 147 electric refrigerators imported valued at £E3,035, and 135 electric water-heaters valued at £E1,868. Other electric apparatus for domestic use totalled £E10,513.

#### VEHICLES

*Railway Rolling Stock.*—Imports of railway and tramway rolling stock and material during 1935 amounted to £E258,902 compared with £E28,550 in 1934. The principal items last year were: railway goods wagons, £E94,512; railway coaches and cars, £E114,797; tramway cars, £E2,512; trolleys, £E2,372; wheels, axles, hubs, and grease boxes, £E26,506; bodies, bogies, brakes, iron work and parts, £E3,372.

Imports of safety apparatus totalled £E7,380 and signalling apparatus £E7,451.

*Bicycles and Motor Cycles.*—2,629 bicycles valued at £E4,511, and 487 motor cycles and sidecars valued at £E17,873, were imported in 1935. Japan provides serious competition in the form of low-priced bicycles and parts.

*Automobiles.*—Imports of automobiles and chassis in 1935 included 8 motor buses and chassis valued at £E2,392, 3,000 motor lorries and chassis valued at £E336,182, and 3,873 other motor cars valued at £E513,223. The total value of these imports was £E851,797 last year against £E532,001 in 1934. According to origin, these imports were as follows:—

From	Passenger Cars		Lorries	
	No.	Value £E	No.	Value £E
United States . . . . .	1,863	282,574	2,742	291,489
United Kingdom . . . . .	882	103,693	137	25,039
Italy . . . . .	447	37,620	....	.....
France . . . . .	245	38,135	....	.....
Other countries . . . . .	436	51,201	121	19,654
Total . . . . .	3,873	513,223	3,000	336,182

Imports of parts and accessories for automobiles last year were valued at £E85,367, distributed as follows: United States, £E35,529; United Kingdom, £E19,251; Italy, £E5,874; France, £E4,559; Germany, £E2,852; Japan, £E1,592; Belgium, £E676; and all other countries, £E15,034.

#### MISCELLANEOUS GOODS

*Typewriters.*—Imports of typewriters in 1935 totalled 2,095 units valued at £E21,145, of which the United States supplied 1,850 units valued at £E18,418.

There were 165 calculating machines imported, valued at £E4,937.

*Meters.*—There were 19,251 gas, spinning, and water meters imported, valued at £E41,642. France supplied 13,464 meters (£E34,965).

Imports of meters for electric light totalled 9,901 units valued at £E9,640.

*Musical Instruments.*—The total value of the imports of musical instruments last year was £E29,605. This includes gramophone records valued at £E6,089.

Imports of pianos were as follows: grand and player pianos, 20 valued at £E1,334; other pianos, 228 valued at £E8,582, of which Germany supplied 120 (£E4,750) and Austria 79 (£E2,910).

There were 1,325 gramophones imported, valued at £E2,831, of which the United Kingdom supplied 1,027 (£E2,234) and Germany 124 (£E326).

### RUSSIAN PURCHASES FROM JAPAN AND MANCHUKUO

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, June 9, 1936.—When the Chinese Eastern Railway was sold by the Union of Soviet Socialist Republics to the Government of Manchukuo, the agreement called for the sum of 93,300,000 yen to be used in the purchase of goods produced or manufactured in Manchukuo or Japan, such merchandise to be delivered to the vendors of the railway within the period of three years from the date of the coming into force of the agreement, March 23, 1935.

According to an announcement made by the authorities here, contracts to the extent of 92,000,000 yen have been concluded and goods to the value of 24,000,000 yen actually delivered. A large variety of products and materials of both Japanese and Manchukuo origin have been secured, and it is said that selective buying from individual producers instead of through organized export guilds has enabled the Soviet representatives to obtain very competitive prices. In many cases the unit price is said to be considerably lower than the ordinary price quoted on the domestic market. Building materials, including cement and structural metals, account for the largest part of the contracts, or about 22 per cent of the total purchases. In the following table the various purchases have been grouped under main headings, the value is shown in Japanese currency, and the ratio of purchases under these headings to the total is given:—

	Value In 1,000 Yen	Ratio to Total Per Cent
Foodstuffs and articles of daily use . . . . .	18,000	18
Raw materials and semi-finished products . . . . .	18,500	20
Building materials . . . . .	20,500	22
Machinery and all mechanical equipment . . . . .	17,000	17
Ships . . . . .	18,000	18

A detailed list of the various articles contracted for is given in the following table:—

Green tea . . . . .	yen 8,000,000	Pipes and other metal pro-	
Textiles . . . . .	yen 6,000,000	ducts . . . . .	tons 26,000
Wheat flour . . . . .	tons 1,500	Steel cable and wire . . . . .	yen 8,500,000
Soya beans . . . . .	tons 62,000	Machine tools . . . . .	units 100
Palm oil and soya bean oil . . . . .	tons 8,800	Hydraulic presses . . . . .	units 150
Abaka rope . . . . .	tons 6,000	Diesel engines . . . . .	units 545
Fishing nets and twine . . . . .	yen 1,400,000	Movable power generating	
Rayon yarn . . . . .	yen 1,800,000	plants . . . . .	units 280
Rubber shoes . . . . .	tons 800	Motor generators . . . . .	units 2,300
Portland cement . . . . .	tons 440,000	Kerosene engines . . . . .	units 282
		Electric generators . . . . .	units 374

A point of considerable interest in the purchases is that over 300 small and medium tonnage ships have been contracted for, and although many of the smaller craft are being delivered, oil tankers and dredgers are under course of construction in various Japanese yards and will not be taken over by the Soviet representatives until well on into next year. Details of the ships contracted for follows: tug boats, 13; oil tankers, 6; floating cranes, 3; dredgers, 1; small steamships, 17; motor boats, 135; fishing vessels, 16; floating crab canneries, 20.

According to the announcement, the value in yen of the principal items which have been delivered up to the end of last year were as follows: soya beans, 3,500,000; other vegetable oil, 2,300,000; chemicals, including dyes, 500,000; metals, 2,000,000; wheat flour, 1,300,000; Portland cement, 2,300,000; Abaka rope and twine, 3,700,000; steel and wire, 2,600,000.

## TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour: Mr. V. E. Duclos, Hongkong (whose territory includes South China, the Philippines, and Indo-China); Mr. L. M. Cosgrave, Melbourne, Australia; and Mr. M. B. Palmer, Mexico City (whose territory includes Guatemala, Honduras, and Salvador). Following are their itineraries as at present arranged:—

### Mr. Duclos

Brockville . . . . .	July 13	Port Hope . . . . .	July 15
Gananoque . . . . .	July 13	Oshawa . . . . .	July 15
Belleville, Picton . . . . .	July 14	Toronto . . . . .	July 16 to 31

### Mr. Cosgrave

Montreal . . . . .	July 13 to 15	Brockville, Morrisburg . . . . .	July 30
Sackville . . . . .	July 16	Oshawa . . . . .	July 31
St. John . . . . .	July 17	Hamilton . . . . .	Aug. 4 and 5
Halifax . . . . .	July 20 and 21	Brantford . . . . .	Aug. 6
Montreal . . . . .	July 23 and 24	St. Catharines . . . . .	Aug. 7
Ottawa, Renfrew, Pembroke, Carleton Place, Cornwall . . . . .	July 27 to 29	Niagara Falls . . . . .	Aug. 8

### Mr. Palmer

Brantford . . . . .	July 13	Watford . . . . .	July 17
Woodstock, Ingersoll . . . . .	July 14	Walkerville . . . . .	July 20
London . . . . .	July 15 and 16	Winnipeg . . . . .	July 23 and 24

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto and Winnipeg, with the office of the Canadian Manufacturers Association; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## JAPANESE SALMON PACK AND TRADE, 1935

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, June 6, 1936.—The Japan Canned Salmon Packers' Association have just issued a statement to the effect that the total quantity of canned salmon put up by members of the association during the 1935 fishing season amounted to 2,388,786 cases—the largest pack in the history of the association—compared with 2,308,851 in 1934. The pack of reds showed a decline of 61·1 per cent compared with the previous fishing season, when something over 1,000,000 cases were put up. On the other hand, the pack of pinks increased by almost 60 per cent. The catch of silvers totalled 97,700 cases compared with 58,140 cases in 1934, showing an increase of 68 per cent, accounted for by an exceptional run in the vicinity of the North Kurile Islands and Kamchatka.

Red salmon fishing conditions were normal on the East Coast of Kamchatka, but were not up to expectations on the West Coast owing to unfavourable water conditions, which, as a consequence, made poor fishing off the North Kurile Islands. Exceptionally good catches of pinks were made in the vicinity of Saghalien, where the largest run in many years took place. Fishing off Etorofu Island was normal.

Although the pack of reds in Kamchatka, and in the North Kurile Islands, and by floating canneries, was below normal, the quantity of pinks put up was in excess of other years and fully made up for the short run of reds.

### *Pack of Salmon by Species*

	1934 Cases	1935 Cases
Pinks . . . . .	1,171,505	1,829,254
Reds . . . . .	1,009,981	398,802½
Silvers . . . . .	58,140½	97,700
Ketas . . . . .	37,585	20,977
Kings . . . . .	2,847	8,838
Total . . . . .	2,280,058½	2,355,571½
Flakes . . . . .	9,727	18,157
Titbits . . . . .	12,667	9,224½
Cooked with bamboo shoots . . . . .	6,399	5,833
Grand total . . . . .	2,308,851½	2,388,786

Figures represent 48-pound cases or the equivalent.

### EXPORTS

Exports of canned salmon in 1935 amounted to 1,353,792 cases as against 1,612,129 cases in 1934, showing a decrease of 16 per cent, due largely to a decline of 31·2 per cent in shipments to Great Britain. Although Italy took 69·5 per cent less salmon during 1935, other Continental countries showed substantial increases in consumption; shipments to France increased by 347·3 per cent, to Belgium by 124 per cent, and to other countries by 253·9 per cent. Exports to Asiatic countries decreased by 13·7 per cent. Shipments to North America were up by 545·2 per cent, to South America by 56·1 per cent, to Africa by 51·2 per cent, and to other countries by 8·2 per cent.

According to species, shipments of red canned salmon, owing to a short pack, declined by 61·8 per cent, while kings increased by 211·2 per cent, pinks by 55 per cent, and silvers by 15·2 per cent.

The following table gives the exports of canned salmon during 1934 and 1935, together with the countries of destination, and shows that Japanese packers are dependent on European markets for the absorption of at least 90 per cent of their total shipments abroad.

*Exports of Canned Salmon from Japan*

	1934 Cases	1935 Cases	Inc. or Dec. Per Cent
Europe—			
Great Britain . . . . .	1,368,655	941,412½	— 31.2
France . . . . .	26,888	120,280	+ 347.3
Belgium . . . . .	43,133½	96,620	+ 124.0
Netherlands . . . . .	38,110½	55,839½	+ 46.5
Italy . . . . .	45,825	13,990	— 69.5
Other . . . . .	6,066	21,471	+ 253.9
Total . . . . .	1,528,678	1,249,613	— 18.3
Africa . . . . .	24,747	37,425½	+ 51.2
Asia . . . . .	39,612	34,188½	— 13.7
Oceania . . . . .	14,264½	15,428½	+ 8.2
North America . . . . .	1,963	12,666	+ 545.2
South America . . . . .	2,865	4,471	+ 56.1
Grand total . . . . .	1,612,129½	1,353,792½	— 16.0

*Exports of Canned Salmon by Species*

	1934 Cases	1935 Cases	Inc. or Dec. Per Cent
Pinks and ketas . . . . .	593,160½	919,580	+ 55.0
Reds . . . . .	968,067½	370,034	— 61.8
Silvers . . . . .	48,075	55,383½	+ 15.2
Kings . . . . .	2,826½	8,795	+ 211.2
Total . . . . .	1,612,129½	1,353,792½	— 16.0

Exports to Great Britain account for 69.54 per cent of the total shipments from Japan, detailed figures of which are contained in the following table:—

*Exports of Canned Salmon to the United Kingdom*

	1934 Cases	1935 Cases	Inc. or Dec. Per Cent
Reds . . . . .	954,320½	363,789½	— 61.9
Pinks and ketas . . . . .	363,647	517,825½	+ 42.4
Silvers . . . . .	47,861	51,054½	+ 6.7
Kings . . . . .	2,826½	8,743	+ 209.3
Total . . . . .	1,368,655	941,412½	— 31.2

**PRELIMINARY FORECAST OF JAPANESE GRAIN CROPS, 1936**

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, June 6, 1936.—While the official Japanese preliminary grain crop forecast for 1936 shows the acreage sown to wheat, rye, and barley as 0.9 per cent greater than in 1935, the yield is anticipated to be considerably less than the actual crop harvested during the previous year. Owing to exceptionally heavy snowfalls and unfavourable growing conditions, the wheat yield is estimated to be 4.6 per cent, or roughly 4,000,000 bushels, less than 1935. A decrease of 10.5 per cent is expected in the rye crop and 8.4 per cent in that of barley. The acreage sown to wheat increased by 2.7 per cent, while that to rye decreased by 0.7 per cent, and that to barley by 0.4 per cent.

The following table gives the official forecast for 1936, which does not include the nine prefectures in Northern Japan:—

	Acrea	Bushels
Wheat . . . . .	1,447,937	40,672,700
Rye . . . . .	1,028,539	28,766,200
Barley . . . . .	665,885	26,414,500

The total 1936 grain crop in Korea is estimated to show a decrease of 15 per cent when compared with last year's actual results. The wheat crop is estimated at about 8,272,000 bushels, rye at 9,663,000 bushels, and barley at 33,968,000 bushels.

## JAPANESE WOOLLEN INDUSTRY AND IMPORTS

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

(The average value of the yen for 1931 was approximately 49 cents Canadian, and in 1934 and 1935, 29 cents)

Tokyo, June 18, 1936.—The woollen industry in Japan is a branch of the textile industry which has shown rapid expansion following upon the gold embargo in 1931 and the subsequent depreciation of the yen. This had the effect of checking imports from Europe and the United States, especially of woollen cloth, serge, etc., and of encouraging local industry to the point of establishing an export trade in these articles on a large and prosperous scale.

As an illustration of this expansion, whereas in 1931 the exports of woollen and worsted tissues were composed largely of muslin, and were valued at 1,396,000 yen, these had grown in 1935 to 32,401,000 yen, of which the major part was composed of woollen cloth and serge. The total production of woollen and worsted tissues, which in 1931 amounted to 153,824,000 yen, increased to 264,131,000 yen in 1934, the last year for which these figures are available. Apart from the above expansion, and largely as a result of it, the production of woollen and worsted yarns and their export have also increased remarkably, reaching in 1934 103 million pounds in production and 6 million pounds in exports.

As the production of wool is very small in Japan, the domestic industry must rely upon foreign imports as a source of supply for its raw materials. As a result of the expansion in this industry, imports of wool have grown from a value of 86 million yen in 1931 to 193 million yen in 1935. The imports in 1935, amounting in quantity to almost 250 million pounds, were more than double the annual average of the four years preceding 1931. Imports of tops, which at one time were important, have diminished to 79,000 pounds valued at 93,000 yen, showing that the imports are almost entirely composed of raw wool.

Australia enjoys a practical monopoly as a source of supply with 93 per cent of the total imports of wool and tops into Japan in 1935, 230,270,000 pounds being credited to that country out of a total of 247,275,000 pounds, 227,431,000 pounds in 1933 out of a total of 242,620,000 pounds, and in 1930, 113,108,000 pounds out of a total of 115,999,000 pounds. According to the most recent figures the proportion is still larger for the current year.

Owing, however, to the raising of tariffs in Australia recently, which have affected the entry of Japanese cotton and rayon textiles, and in view of a balance of trade between these two countries highly unfavourable to Japan, it is now proposed to retaliate by invoking the "Trade Protection Law," thereby restricting the entry of Australian products. Measures are being adopted to restrict the imports of Australian wool to approximately one-third of Japan's 1935-36 imports of 750,000 bales, and to divert purchases of wool to other sources of supply such as New Zealand, South America, and South Africa, even although the wool obtainable from these sources may be more expensive and not as suitable. Production curtailment, export fees on textiles to compensate for higher-priced imports of wool, the encouragement of wool growing in Japan and its dependencies, the use of other fibres and of cross-bred wools as a substitute for Australian merino, are under consideration in conjunction with the application of import quotas on Australian wool.

The measures leading to the restrictions in imports of wool from Australia, while opening up opportunities to other sources of supply, are bound to have a disturbing effect upon a growing and prosperous industry.

## THE UNITED STATES GRASS AND CLOVER SEED MARKET

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, N.Y., June 15, 1936.—The subjoined report on the market in the United States for grass and clover seed is divided into two parts, the first dealing with the following types of seed which are affected by the Canada-United States Trade Agreement: alfalfa, alsike clover, sweet clover, timothy, and Canada bluegrass seeds. The second part deals with some of the other varieties of field seeds that are not affected by the trade agreement.

### I

The United States Bureau of Agricultural Economics in a recent report states that prospective sales in pounds of field seeds this year will probably be about 5 per cent larger than last year. The aggregate quantity of seeds the dealers expect to import for sowing this year is approximately 28,000,000 pounds. Larger in-shipments than a year ago are indicated for the following seeds named in the order of expected increase in percentage of the 1936 shipments over 1935 shipments: timothy, sweet clover, alsike clover, Kentucky bluegrass, and alfalfa.

Shipments of the 1935 crop of alsike clover and alfalfa seeds are indicated to be smaller than those of the 1934 crop, whereas shipments of timothy seed are very much larger, and those of sweet clover are about the same as the 1934 crop shipments. The rate of movement of these seeds from the shippers' hands was slower for the 1935 than for the 1934 crop. Stocks held by shippers on January 1, 1936, were larger than those of a year ago for timothy, alsike clover, and alfalfa, but smaller for sweet clover. Prices paid to the growers for the 1935 crop are lower than for the 1934 crop; except in the case of alsike clover the price is slightly higher than last year.

### ALFALFA SEED

The 1935 production of alfalfa seed of approximately 49,374,000 pounds was below normal, and compares with 49,242,000 pounds in 1934, the 1933 production of 61,542,000 pounds, and the 1925-34 average of 53,269,000 pounds.

Alfalfa seed shippers indicate that 1935 shipments will be 7 per cent smaller than 1934 shipments. The decrease is most marked in southeastern Kansas, eastern Montana, western South Dakota, and Ohio. On the other hand, large shipments are indicated notably for western Utah and northwestern Minnesota.

Alfalfa seed movements have been slower than usual. Up to January 1, 1936, 57 per cent of the seed to be shipped by those reporting had actually been shipped, compared with 79 per cent last year, and 60 per cent two years ago.

Stocks of 7,027,065 pounds held by the shippers on that date (January 1, 1936) were 22 per cent larger than their stocks of a year ago, which were 27 per cent smaller than stocks of two years ago.

Prices paid to the growers for the 1935 crop seed average \$11.80 compared with \$16.40 for 1934 seed and \$8.50 for 1933 seed. The prices of alfalfa seed this year range from \$10.30 to \$16.

### ALSIKE CLOVER SEED

The estimated production of 17,000,000 pounds of alsike clover seed, the smallest production for several years, compares with 19,000,000 pounds in 1934, 22,000,000 pounds in 1933, and the ten-year average 1925-34 production of 22,200,000 pounds.

Shippers of alsike clover indicate that their 1935 crop shipments will be 13 per cent smaller than their 1934 shipments. The 1935 shipments are rela-

tively the smallest in Idaho and eastern Wisconsin. They are larger than the 1934 shipments in Indiana, northwestern Minnesota, and northwestern Ohio. Reporting shippers on January 1, 1936, had shipped 65 per cent of the quantity they expected to ship during the season, compared with 80 per cent last year and 59 per cent two years ago.

The 1,004,084 pounds of alsike clover seed held in stock on January 1, 1936, were 56 per cent larger than the stocks held on that date in 1935, which in turn were 61 per cent smaller than those of two years ago.

Prices paid to growers for the 1935 crop average \$15.35, compared with \$20.05 for the 1934 crop and \$11.20 for the 1933 crop. The 1935 prices range from \$14.40 to \$16.65.

#### SWEET CLOVER SEED

The United States production of sweet clover seed for 1935 is the smallest on record and is estimated at 33,528,000 pounds, compared with 37,566,000 pounds in 1934, 42,587,000 pounds in 1933, and the ten-year average 1925-34 of 55,573,000 pounds.

The sweet clover crop shipments for 1935 will be about the same as those of 1934. The increase in the northwestern part of South Dakota is nearly offset by the smaller shipments in some of the less important producing districts of other states. Shipment movements from dealers have been slower than normal; 68 per cent of the crop had been shipped by January 1, 1936, compared with 76 per cent last year and 74 per cent two years ago.

Stocks of 4,129,266 pounds held by the growers were 84 per cent of the January 1, 1935, stocks, which in turn were 7 per cent smaller than those of two years ago.

Prices paid to the growers average \$2.95 for the 1935 crop as against \$6.35 for the 1934 crop and \$2.95 for that of 1933. The sweet clover seed prices range during the past year is from \$2.80 to \$4.20.

#### TIMOTHY SEED

The 1935 production of timothy seed is estimated at 128,223,000 pounds, nearly eleven times the 1934 production of 11,786,000 pounds when there was a great shortage due to poor crop conditions. The production in 1933 amounted to 37,575,000 pounds; the ten-year average 1925-34 was 73,765,000 pounds.

The largest increase in in-shipments of the various grass and clover seeds over last year is indicated for timothy. The expected in-shipment quantity of 2,900,000 pounds of this seed is about 30 per cent larger than the quantity shipped in last year. Sales of timothy are expected to exceed by much more than 30 per cent those of last year, mainly because the current wholesale prices are only about one-sixth of those at a corresponding time last year.

The shippers indicate that their 1935 crop shipments will be nearly eight times as large as those of 1934. The rate of movement has been slower than usual; 70 per cent of the shipments expected to be made during the year were reached by January 1, 1936, compared with 76 per cent last year and 85 per cent two years ago.

Stocks of 5,223,464 pounds were nearly five times as great as the quantity held on January 1, 1935, which in turn were 76 per cent smaller than two years ago.

Prices paid to the growers for the 1935 crop average \$2.40 per 100 pounds, compared with \$15.90 last year and \$4.60 for the 1933 crop. The price range for this type of seed during 1935 was from \$2.65 to \$3.50.

#### KENTUCKY BLUEGRASS

The production of Kentucky bluegrass for the 1935 crop is estimated at 2,500,000 bushels, 375,000 bushels greater than in 1934. The 1933 production was 1,300,000 bushels, and the ten-year average 1925-34 was 1,344,000 bushels.

## UNITED STATES IMPORTS

It is as yet difficult to determine to what extent imports of alfalfa, alsike clover, sweet clover, timothy, and Kentucky or Canada bluegrass seeds will be affected by the Canada-United States Trade Agreement. Account must be taken of the fact that the 1935 production of alfalfa seed was below normal, while alsike clover was the smallest since 1928, and sweet clover was the smallest since 1924, when this seed became popular. Since January 1, 1936, when the Trade Agreement became effective, the United States has imported from Canada the following quantities of seeds: alfalfa, 56,700 pounds; alsike clover, 62,200; white sweet clover, 441,800; yellow sweet clover, 400; timothy, 100; Canada bluegrass, 64,000 pounds.

The following table shows the value of the United States imports of grass and clover seeds from Canada and total importations for the calendar years 1934 and 1935:—

	1934		1935	
	From Canada	From All Sources	From Canada	From All Sources
Alfalfa .. . . .	\$ 8,649	\$ 8,649	\$ 11,790	\$ 11,790
Alsike .. . . .	128	128	53	53
Sweet clover .. . . .	323	323	851	851
Bluegrass .. . . .	14,550	14,550	51,722	153,748
Timothy .. . . .	356,819	541,081	9,098	9,098
Red clover .. . . .	17	56	.....	.....

The United States usually produces a surplus of alfalfa, sweet clover, timothy, and Kentucky bluegrass seeds. The only one of the five kinds which is not generally produced in sufficient quantities to take care of the sowing requirements of this country is alsike clover. Even in the case of this seed annual importations in the last five years have been under 100,000 pounds. The unusually large imports of timothy during the fiscal year ended June 30, 1935, were due entirely to the near failure of this crop in 1934. It was the smallest timothy seed crop on record. This was followed in 1935 by nearly the largest crop on record, so that the United States is again on an export basis with respect to timothy seed.

The United States usually produces more bluegrass seed than is required, and as a result imports of Canada bluegrass are not likely to be of much importance except in years when the Kentucky bluegrass crop fails. During the past ten years the production of Kentucky bluegrass has been expanded to a great extent and failures of this crop are less likely to occur than formerly. However, there is a certain demand in the Northeastern States for Canada bluegrass.

Ontario variegated and Grimm strains of alfalfa have always found favour in the Northern States, but while the duty was 8 cents per pound imports were almost nil. With the lower duty of 4 cents per pound under the Canada-United States agreement, it is likely that alfalfa seed will again find a market there in good years.

## UNITED STATES EXPORTS

The following table shows the United States exports of grass and clover seeds to Canada for the years 1934 and 1935:—

	1934		1935 <sup>1</sup>
	Lbs.	\$	Lbs.
Alfalfa .. . . .	94,106	18,255	2,161
Red clover .. . . .	121,229	21,551	6,232
Timothy .. . . .	3,291,045	273,063	190,483
Other clover .. . . .	669,480	162,552	104,167
Other grass seeds .. . . .	907,438	86,961	435,490
Other field seeds .. . . .	537,677	20,090	219,177

<sup>1</sup> 1935 figures are preliminary; no values are so far available.

## II

## RED CLOVER SEED

The production of red clover seed in the United States for 1935 is estimated at 43,900,000 pounds—the smallest amount since 1926—compared with 46,946,000 pounds in 1934, 67,352,000 pounds in 1933, and the ten-year average 1925-34 production of 61,756,000 pounds.

Shippers indicate that the 1935 crop of red clover in the aggregate will be 6 per cent smaller than the 1934 crop shipments. The 1935 shipments compared with 1934 in the more important districts are relatively the smallest in western Oregon, southern Idaho, central Illinois, and southern Michigan. On the other hand, they are larger than a year ago in northeastern Wisconsin, southeastern Wisconsin, and northern Indiana.

By January 1, 1936, the shippers had shipped 73 per cent of the total quantity of the 1935 crop seed it was their intention to market. This compares with 68 per cent for the 1934 crop and 58 per cent for the 1933 crop.

Stocks of 3,110,431 pounds held on January 1 are indicated to be 6 per cent less than a year ago, which in turn were 19 per cent smaller than those held on that date two years ago.

Prices paid to growers for the 1935 crop of red clover seed average \$13.35 per 100 pounds as against \$18.95 for the 1934 crop, \$9.85 for the 1933 crop, and \$17.70 for the ten-year average 1925-34. The 1935 crop prices range from \$12.45 to \$16.60.

With the reduction in duty under the France-United States Trade Agreement, effective June 15, 1936, on red clover from 8 cents per pound to 5 cents per pound, some Canadian red clover seed may find an export market, particularly in the northern states of the Union.

## BENT GRASS

Bent grass is a luxury product and until normal conditions return in the golf and large estate business there will not be much opportunity for advancement.

Germany is considered the chief potential source of supply of bent grass for the United States. However, New Zealand is also a large supplier, but at the present time the exchange situation favours Germany. The German bent grass possesses a percentage of so-called velvet grass, which is an expensive ingredient.

The following table shows a comparison of purity, germination, and prices c.i.f. New York for bent grass from the chief sources of supply:—

Country	Purity	Germination	Prices
Germany . . . . .	70%	70%	45 cents c.i.f. New York plus 40 cents per lb. duty
New Zealand . . . .	99%	95%	25 cents c.i.f. New York plus 40 cents per lb. duty
Oregon (Domestic)	98%	95%	50 cents c.i.f. New York
Canada . . . . .	98%	95%	40 cents c.i.f. New York plus 40 cents per lb. duty

## OPINIONS OF THE SEED TRADE

The general opinion of the seed trade in the United States is that the Canada-United States Trade Agreement should benefit their business, but it will probably take a year or two to restore the balance of trade that existed prior to the old rates under the Hawley-Smoot Tariff Act of 1930.

The trade believes that timothy can be raised to better advantage in the United States than in Canada, and that the advantage is the other way with respect to sweet clover and alsike clover. The prospects are good this year for the importation of alsike clover seed from Canada, provided the price level is high enough to offset the United States duty of 4 cents per pound on this type of seed.

## TARIFF

The Canada-United States Trade Agreement, effective January 1, 1936, reduced the duties on grass seeds as follows:—

Alfalfa, from 8 cents per pound to 4 cents per pound.  
Alsike clover, from 8 cents per pound to 4 cents per pound.  
Sweet clover, from 4 cents per pound to 2 cents per pound.  
Timothy, from 2 cents per pound to 1 cent per pound.  
Bluegrass, from 5 cents per pound to 2½ cents per pound.

The France-United States Trade Agreement, effective June 15, 1936, reduced the duty on red clover seed from 8 cents per pound to 5 cents per pound.

## EXCHANGE CONDITIONS IN GUATEMALA

S. G. MACDONALD, ACTING TRADE COMMISSIONER

Mexico City, June 22, 1936.—There is no exchange control system in Guatemala, and foreign trade is bound only by the normal course of private enterprise. On December 31, 1935, the Banco Central de Guatemala reported gold holdings of q.3,217,651, which were increased to q.3,263,720 as of March 31, 1936. The bank's reserves of foreign exchange, which amounted to q.640,-656.67 at the end of December, increased materially to q.2,095,274 by the end of March. The notes in circulation also increased during the quarter from q.6,165,527 to q.6,334,335. The quetzal, the medium of exchange in Guatemala, is valued at \$1 at par, and therefore, with the fall in the value of the United States dollar in terms of gold as from April, 1933, the quetzal has followed the dollar down equally in value in the same terms.

## CATTLE INDUSTRY IN COLOMBIA

R. A. CAMERON, ASSISTANT TRADE COMMISSIONER

Panama, R.P., June 10, 1936.—One of the most profitable branches of agriculture in Colombia is the breeding and fattening of horned cattle. Statistics relative to the industry are meagre, but in 1932 the Statistical Section of the Ministry of Agriculture and Commerce placed the number of cattle in Colombia at approximately 7,500,000 head. A recent and unofficial estimate places this figure at 10,000,000 head.

Dairying in Colombia is of relatively minor importance, although some progress has been made during recent years, particularly in sections in a position to serve the chief cities and towns. There seems to be no immediate prospect of any considerable increase in demand for domestic dairy products, which at the present time consist of butter and cheese of mediocre quality.

## IMPORTS

The principal demand is for meat animals rather than milkers. The slaughter of domestic horned cattle is almost sufficient to supply the total demand for fresh-killed beef, which, according to estimates by the Ministry of Agriculture and Commerce, was 1,016,260 head for the year 1934 and 959,572 head for 1933. Imports of live cattle during 1934 were approximately 4,000 head, valued at 279,112 pesos. The bulk of these imports originated in Venezuela and entered Colombia through the river port of Cucuta, which is located on the boundary line between the two countries. Negligible numbers are imported from Brazil, Ecuador, the United States, and Panama for breeding purposes.

Due to high duties levied on imported fresh meats, domestic production has been relied upon almost entirely during recent years. Animal products of all kinds imported in 1934 amounted to Colombian 34,592 pesos in value. The extent to which Colombia has become self-sufficient in this industry is indicated by the fact that imports in 1929 were valued at 3,885,215 pesos.

### DOMESTIC INDUSTRY

Exports of live cattle for the year 1934 were valued at 6,280 pesos, divided between Venezuela and the Dutch West Indies. No exports of fresh meat were reported. Since there is only one packing house in Colombia, the freshly slaughtered animals for the most part go into immediate consumption.

Owing to the prolonged dry weather experienced this year, there has been a scarcity of finished cattle. The present demand for finished stock is firm in the local markets of Cali, Cartagena, Medellin, Manizalez, and Bogota, and live stock prices in these markets are reported to be from 17 cents to 22 cents (Colombian) per pound for the best-grade beef.

Cattle are raised both on small holdings and large ranches throughout the Republic, but the principal breeding regions are the plains east of the Andes, the plains of Bolivar, and the Cauca valley. Efforts to improve the native breeds are encouraged in various ways. Under the Ministry of Agriculture and Commerce the Practical School of Agriculture and Cattle Raising has been established at "La Picota" farm. Not only is instruction on cattle raising given at "La Picota," but research work with a view to improving native breeds is carried on almost continually and experimental investigations pertaining to the feeding, raising, and finishing of cattle are undertaken.

On the Bogota plateau, where the climate is similar to that of the interior of southern British Columbia, some success has been achieved in improving the native breeds through the importation of foreign stock. Jersey cows and bulls imported from the United Kingdom have thrived, and it would seem that breeds from Western Canada should have little difficulty in adapting themselves to the climate. The chief obstacle to the development of this trade is the lack of suitable shipping facilities. Any opening that might present itself would of necessity be confined to prize stock of a value sufficient to warrant high shipping costs.

### EXCHANGE CONDITIONS IN EL SALVADOR

S. G. MacDONALD, ACTING TRADE COMMISSIONER

Mexico City, June 29, 1936.—There is no official exchange control in El Salvador as the Banco Central de Reserva de El Salvador buys and sells freely at rates of ₡2.49 and ₡2.51 respectively per U.S.\$1. Foreign exchange reserves held by the Central Bank at the present date amount to about U.S.\$2,100,000, and the bank has the intention of exporting for sale gold coin purchased in the market; from this it is expected a yield of U.S.\$550,000 will accrue to add to reserves. There is some fear of a deficit on the balance of payments for 1936 of considerable size, but a noticeable decline in imports is taking place, so that it is expected that the demand for foreign exchange will probably decrease. Offers of foreign exchange coincide with the coffee marketing season, December to April; in the other months of the year the Central Bank is required to supply the principal needs of the country. By the 1922 Foreign Loan Readjustment Agreement, just ratified as between the Salvador Government and the Bondholders Committee, the Salvador Government are required to pay U.S.\$850,000 for 1935 and the same amount spread over the months of 1936.

The fiscal agents are holding to account £169,000 in New York, while the balance will have to be furnished by the Central Bank.

Banco Central de Reserva de El Salvador, which is the sole bank of issue, held as of April 30, 1936, \$12,916,939 in gold (revalued U.S.\$1 equals ₡3.3524). Notes in circulation totalled \$14,799,990 or equivalent to a percentage ratio of 55.96 per cent.

## MARKET FOR ASBESTOS PRODUCTS IN CUBA

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Havana, July 1, 1936.—Although there is a fair demand for asbestos products in Cuba, it is not sufficient to justify a local manufacturing industry. Sugar mills are the principal consumers, and these concerns purchase their supplies from one or more of the three United States companies which have agencies in Havana. As Havana, midway on the route between Europe, New York, and the Pacific Coast of South America, is an important repository of steamship repair supplies, the second outlet of importance for asbestos products is the servicing of vessels for emergency repairs, including pipe-covering, engine-packing, and valve gaskets.

### IMPORTS OF ASBESTOS FIBRE

There are no official Cuban statistics covering the importation either of asbestos fibre or of manufactured asbestos products. Fibre is classified both in official statistics and in the customs tariff under minerals. It is dutiable as follows per 100 kilograms: maximum, 20 cents; minimum, 10 cents; tariff for the United States, 8 cents. Manufactured products are included among specific commodities such as brake lining, roofing, and packing, there being no reference to the materials of which they are made.

According to the Dominion Bureau of Statistics, the only exports of asbestos from Canada to Cuba during the twelve months ended March 31, 1935, consisted of 30 tons of asbestos sand and waste valued at \$360. None was exported to the island during the two previous years.

According to trade opinion, there are no offerings of asbestos fibre from South Africa, Rhodesia, or Russia. The small amount of untreated, low-grade, "mine-run" asbestos which comes from Canada has two outlets. It is mixed with binders, such as asphalt, by paint manufacturers for roofing, and with magnesia to make pipe- and boiler-insulation for sugar mills.

Apart from the small amount mentioned as being imported from Canada, there is no pure asbestos fibre brought into the country. The three United States concerns located here handle 95 per cent of the business, and their imports consist almost entirely of manufactured products.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### United Kingdom Tariff Changes

Under the Import Duties (Exemptions) (No. 3) Order, 1936, of the United Kingdom, alloys of metal, unwrought, in blocks, ingots, cakes, bars, and slabs, each of a weight of not less than 28 pounds, containing more than 0.75 per cent by weight of silver or more than 0.05 per cent by weight of gold, have been added to the free list. The effect is that such goods are now admissible duty free regardless of the country of origin. Formerly these alloys were dutiable at 10 per cent ad valorem unless satisfactorily shown to be entitled, as British Empire products, to duty-free entry. The new order came into force June 26, 1936.

### Trade Agreement between the United Kingdom and Denmark

The Canadian Trade Commissioner in London writes that a supplementary trade agreement was concluded between the United Kingdom and Denmark on June 19. This supplementary agreement continues in force the agreement of 1933, which expired on June 20, the terms of which were explained in a report appearing in *Commercial Intelligence Journal* No. 1532 (June 10, 1933).

The Government of Denmark undertake to make an adequate allocation of licences for the year ending April 30, 1937, and thereafter permitting payment for, and importation into Denmark, of goods the produce of the United Kingdom. The validity of the arrangement for the purchase of United Kingdom goods is prolonged, and provision is made for the entry into force of the new agreement pending exchange of ratifications. The concessions accorded in the original agreement to Danish exports to the United Kingdom are continued without alteration.

### Irish Free State Increased Import Duty on Dried Eggs

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises under date June 22, 1936, that, by order of the Executive Council, the import duty on dried eggs (including egg albumen) has been increased from 3s. to 4s. 6d. per pound as from June 20, 1936.

### Australian Import Marking Regulations

A regulation under the Commerce (Trade Descriptions) Act of Australia, dated May 13, 1936, provides that "sanitary and lavatory articles of earthenware" imported into the Commonwealth on or after September 1, 1936, must bear a trade description. Statutory rules provide that a trade description shall comply with the following provisions: (a) it shall be in the form of a principal label or brand affixed in a prominent position and in as permanent a manner as practicable to the goods, or, where affixture to the goods is impracticable, to the coverings containing the goods; and (b) it shall contain in prominent and legible characters a true description of the goods, and the name of the country or place in which the goods were made or produced; and (c) in cases where any weight or quantity is set out, it shall specify whether the weight or quantity so set out is gross or net.

### Australian Customs Decisions

Recent decisions of the Australian Customs Department, as to the rates of duty on articles regarding which question had been raised, include the following: multipurpose brake relining and grinding machines; slyphon bellows for use in the manufacture of refrigerators; and cellulose wool in continuous rolls irrespective of width or in sheets not less than 20 inches by 10 inches not defined for cutting, for use in the manufacture of cleansing tissues, are all free of duty under the British preferential and 15 per cent under the general tariff; lipsticks incorporated in fancy holders are 45 per cent ad valorem under the British preferential and 70 per cent ad valorem under the general tariff; feldspar for use in the manufacture of enamelled pottery, enamelled fireclay products, and architectural terra cotta is free under both tariffs. The British preferential rates on all the above items apply to Canada.

### French Quotas on Canadian Goods

Mr. Hercule Barré, Commercial Attaché in Paris, cables that the French quotas allotted to Canada for the third quarter of 1936 are as follows in metric quintals (220.4 pounds): cheese, 240; barley, 50; rolled oats, 3,000; insulating

board, 185; cinematograph films, 2·90; patent leather, 48; other small skins, 7·50; canned lobster, 1,375; sweetened biscuits, 3·50; lead, 1,820; cultivators, 4·90; mowers, 8·25; other agricultural machinery, 34½; sliced veneer, 11; veneers, 11. Owing to extra shipments in the previous quarter, no quota has been allotted to Canada on preserved tomatoes. Other quotas have not yet been published.

### German Tariff Amendments

Mr. Paul Sykes, Canadian Trade Commissioner at Hamburg, writes that a German order, effective June 16, 1936, provided for certain amendments in the German customs tariff. An item of possible interest to Canadian exporters is soft coniferous wood longitudinally hewn or otherwise prepared or cut up with the axe, which was amended to include soft coniferous wood not over 1 metre long (39·37 inches) and not under 15 centimetres (5·9 inches) thick at the thinner end dutiable at 0·5 reichsmark per 100 kilos or 3 reichsmarks per cubic metre (at current exchange 9·2 cents per 100 pounds or \$2.83 per M board feet) if imported for the manufacture of shingles in importer's own factory under customs control. Formerly the rate of duty was 1·5 reichsmark per 100 kilos or 9 reichsmarks per cubic metre. All other soft coniferous wood longitudinally hewn is dutiable at 1·5 reichsmark per 100 kilos or 9 reichsmarks per cubic metre.

Another amendment provided for the free entry of refuse of liver of cod, seal, and the like, obtained after extracting the oil, when suitable for use as animal feed. Formerly this type of refuse was admitted free of duty if suitable only for use as fertilizer.

### Cuba Reduces Consular Fee for Shipments from Canada

With reference to notice in *Commercial Intelligence Journal* No. 1680 (April 11, 1936), page 665, Mr. E. L. McColl, Canadian Trade Commissioner in Havana, advises that a law published in the Cuban official *Gazette* of June 30, 1936, effective July 1, reduces the consular fee from 5 per cent to 2 per cent ad valorem on merchandise shipped from Canada to Cuba. The fee had previously been reduced to 2 per cent on merchandise from the United Kingdom and the United States. In the case of all other countries the fee remains at 5 per cent.

### Commercial Invoices for Peru

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes that, in pursuance of a Peruvian regulation issued on March 30, 1936, but not immediately put into force, commercial invoices are now necessary when making shipments to Peru. The commercial invoice must be signed and rubber stamped by the exporter as correct.

### Japanese Trade Protection Law

With reference to the notice in last week's issue of the *Commercial Intelligence Journal*, page 48, concerning new list of goods requiring certificate of origin when exported to Japan, further information received is to the effect that the articles subject to a 50 per cent surtax when imported from Australia are only beef, butter, condensed milk, hides and skins, beef tallow, and casein. The other goods mentioned, namely, wheat, wheat flour, wool and wool waste, are subject to an import permit system in Japan. All the foregoing, however, require a certificate of origin when exported from Canada to Japan.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 6

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending July 6, 1936, with the official bank rate. Quotations for the week ending June 29, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 29	Nominal Quotations in Montreal Week ending July 6	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1886	\$ .1885	3½
Belgium . . . . .	Belga	.1001	.1695	.1694	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0417	.0416	3
Denmark . . . . .	Krone	.2680	.2250	.2244	3½
Finland . . . . .	Markka	.0252	.0223	.0221	4
France . . . . .	Franc	.0392	.0665	.0663	4
Germany . . . . .	Reichsmark	.2382	.4042	.4040	4
Great Britain . . . . .	Pound	4.8666	5.0400	5.0275	2
Greece . . . . .	Drachma	.0130	.0093	.0093	4
Holland . . . . .	Guilder	.4020	.6829	.6825	3
Hungary . . . . .	Pengo	.1749	.2954	.2953	4
Italy . . . . .	Lira	.0526	.0789	.0787	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0231	.0231	5
Norway . . . . .	Krone	.2680	.2532	.2526	3½
Portugal . . . . .	Escudo	.0442	.0457	.0457	4½
Roumania . . . . .	Leu	.0060	.0074	.0074	4½
Spain . . . . .	Peseta	.1930	.1377	.1376	5
Sweden . . . . .	Krona	.2680	.2598	.2592	2½
Switzerland . . . . .	Franc	.1930	.3281	.3278	2½
United States . . . . .	Dollar	1.0000	1.0025	1.0009	1½
Poland . . . . .	Zloty	.1122	.1890	.1895	5
Argentina . . . . .	Peso (Paper)	.4245	.3359	.3351	—
Brazil . . . . .	Milreis (Paper)	.1196	.0866	.0864	—
Chile . . . . .	Peso	.1217	.0507	.0509	4½
Colombia . . . . .	Peso	.9733	.5704	.5695	4
Mexico . . . . .	Peso	.4985	.2786	.2779	4-5
Peru . . . . .	Sol	.2800	.2493	.2490	—
Venezuela . . . . .	Bolivar	.1930	.2406	.2403	—
Uruguay . . . . .	Peso	1.0342	.8020	.8007	—
China (Shanghai) . . . . .	Dollar	.....	.3003	.2996	—
Cuba . . . . .	Peso	1.0000	1.0015	1.0000	—
Hongkong . . . . .	Dollar	.....	.3234	.3235	—
India . . . . .	Ruppee	.3650	.3800	.3792	3
Japan . . . . .	Yen	.4985	.2946	.2940	3.29
Java . . . . .	Guilder	.4020	.6861	.6855	4
Siam . . . . .	Baht (Tical)	.4424	.4622	.4606	—
Straits Settlements . . . . .	Dollar	.5678	.5907	.5890	—
South Africa . . . . .	Pound	4.8666	5.0337	5.0212	—
British Guiana . . . . .	Dollar	1.0138	1.0500	1.0474	—
Jamaica . . . . .	Pound	4.8666	5.0500	5.0375	—
Other British West Indies . . . . .	Dollar	1.0138	1.0500	1.0474	—
Martinique . . . . .	Franc	.0392	.0665	.0663	—
Guaadeloupe . . . . .	Franc	.0392	.0665	.0663	—
Australia . . . . .	Pound	4.8666	4.0325	4.0212	—
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1725	5.1550	—
New Zealand . . . . .	Pound	4.8666	4.0650	4.0537	—
Argentina . . . . .	Free	Free	.2727	.2687	—
Brazil . . . . .	Free	Free	.0571	.0575	—
Chile . . . . .	Free	Free	.0407	.0409	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

The strength shown by the French franc for the week ended July 4 was attributed chiefly to short covering movements. A diminution in the flight of capital from France was reported and, for the first time in almost four months, reports issued by the Bank of France showed a rise in gold holdings. Other gold "bloc" currencies steadied and pressure on the Dutch guilder lessened. At the close of the week Scandinavian and Japanese currencies moved downward in sympathy with the decline in sterling.

The New York dollar at Montreal was quoted at 1.0016 on July 4 as against 1.0025 on June 27. The French franc changed from 6.67 cents on June 27 to 6.64 cents on July 4 and the pound sterling declined from \$5.04 to \$5.03 during the same period.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

- Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.
- Chatham, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.
- St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

Secretary, Chamber of Commerce—

- Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.
- Belleville, Ont.

Peterborough, Ont.

London, Ont.
- Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

- Toronto, Ont.

Montreal, P.Q.
- Winnipeg, Man.

Edmonton, Alta.
- Vancouver, B.C.

Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Fish.....	486	Paris, France.....	Agency.
Canned Meat.....	487	Paris, France.....	Agency.
Milk Concentrate.....	488	Paris, France.....	Agency.
Sugar.....	489	Paris, France.....	Agency.
Pectin (Apple Jelly in Barrels)...	490	Lille, France.....	Purchase and Agency.
Health Foods.....	491	Cape Town, South Africa..	Distributor.
Malting Barley.....	492	Lima, Peru.....	Agency.
Pearl Barley.....	493	Leith, Scotland.....	Purchase.
Miscellaneous—			
Sardine or Pilchard Oil.....	494	Wellington, New Zealand..	Purchase.
Fish Oil.....	495	Havana, Cuba.....	Purchase.
White Fish Meal.....	496	Bristol, England.....	Purchase.
Tobacco Leaf.....	497	Paris, France.....	Agency.
Seeds (Red Clover, Alsike Clover, Timothy Grass, etc.).	498	Leith, Scotland.....	Purchase.

TRADE INQUIRIES—*Concluded*

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Miscellaneous—<i>Conc.</i></b>			
Cotton Textiles, Striped and Printed.	499	Paris, France.....	Agency.
Ladies' Hats (Felt, Medium to Expensive).	500	Calcutta, India.....	Purchase and Agency.
Canvas Shoes.....	501	Paris, France.....	Agency.
Roofing felt (36 inches wide; 20, 24, 30, 45, 65 and 70 gauge jumbo rolls).	502	Melbourne, Australia.....	Agency.
Asbestos Millboard, Packing and Insulating Material, Blocks.	503	Rio de Janeiro, Brazil.....	Agency.
Wood Flour (for the Manufacture of Synthetic Resins).	504	Shanghai, China.....	Purchase.
Cellu Cotton (for the Manufacture of Sanitary Napkins).	505	Johannesburg, South Africa	Purchase.
Unbleached Sulphite Pulp.....	506	Sydney, Australia.....	Purchase.
Small Wood Turnings (for Toy Manufacturers).	507	Bristol, England.....	Purchase.
Farm Tools (Hay Forks, Turnip Hoes, etc.).	508	Edinburgh, Scotland.....	Purchase.
Black and Galvanized Gas Pipe.	509	Shanghai, China.....	Agency.
Radio Spare Parts.....	510	Paris, France.....	Purchase.
Electrical Refrigerators.....	511	Paris, France.....	Purchase.
Hardware and Ironmongery.....	512	Paris, France.....	Agency.
Industrial Chemicals (Coal Tar Products, Benzol, Heavy Naphtha 90/190, Toluol, Xylol, Tricresylphosphate, etc.).	513	Oslo, Norway.....	Agency.
Zinc in sheets.....	514	Paris, France.....	Agency.
Books and Magazines; Publishers Reminders.	515	Shanghai, China.....	Purchase.

**PROPOSED SAILINGS FROM CANADIAN PORTS**

(The sailing dates are approximate and subject to change without notice)

**From Montreal**

*To Liverpool.*—Duchess of Bedford, July 17; Montclare, July 25; Duchess of York, July 31; Duchess of Richmond, Aug. 7—all Canadian Pacific; Antonia, July 15; Andania, July 31—both Cunard-White Star Line.

*To London.*—Beaverford, July 17; Beaverdale, July 24; Beaverburn, July 31; Beaverhill, Aug. 7—all Canadian Pacific; Ascania, July 15; Aurania, July 24; Ausonia, July 31—all Cunard-White Star Line.

*To Manchester.*—Manchester Division, July 16; Manchester Regiment, July 23; Manchester Citizen, July 30—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Dakotian, Cunard-Donaldson and Dominion Lines, July 17.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Aug. 26.

*To Cardiff, Bristol and Swansea.*—New York City, Bristol City Line, July 27.

*To Glasgow.*—Airthria, July 17; Sulairia, July 31—both Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnross (calls at Dundee), Cairn-Thomson Line, July 23.

*To Aberdeen and Hull.*—Kelso, Ellerman's Wilson Line, Aug. 4.

*To Dublin and Belfast.*—Kenbane Head (cargo accepted for Londonderry and Cork), Head Line, July 23.

*To Antwerp and Havre.*—Montrose, July 16; Montcalm, July 16; Beaverdale, July 24; Beaverburn, July 31—all Canadian Pacific (do not call at Havre); Hada County, County Line, July 22.

*To Rotterdam.*—Colombia, County Line, July 25.

*To Hamburg.*—Beaverford, Canadian Pacific, July 17.

*To Copenhagen, Gothenburg and Baltic Ports.*—Korsholm, Swedish-America-Mexico Line, July 29.

- To Norwegian Ports.*—A steamer, Norwegian-America Line, July.
- To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Motomar, Gardiaz Line, July 17.
- To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Olmo, July 28; Capo Lena, Aug. 25—both Capo Line.
- To Marseilles, Genoa, Barcelona and Spanish Ports.*—Sonja, Canada-Mediterraneo Line, July 15.
- To St. John's, Nfld., and St. Pierre-Miquelon.*—Delia (calls at Trinity and Conception Bay ports), July 16 and Aug. 6; Maisol (does not call at St. Pierre), Aug. 17—both Shaw SS. Co. Ltd.; Belle Isle, Newfoundland-Canada SS. Co., July 17.
- To Cornerbrook, Nfld.*—New Northland, Clarke SS. Co., July 20.
- To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Cornwallis, Canadian National, July 23.
- To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Cavalier (does not call at Hamilton or Nassau), Canadian National, July 17.
- To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion SS. Corp., July 15.
- To Brisbane, Sydney, Melbourne and Adelaide.*—Canadian Constructor, July 24; Canadian Cruiser, Aug. 28—both Montreal Australia New Zealand Line.
- To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Canadian Victor, July 24; Canadian Highlander, Aug. 21—both Montreal Australia New Zealand Line.
- To Manila, Hongkong, Shanghai, Yokohama and Dairen.*—City of Lyons, Canada Far East Line, Aug. 3.
- To Yokohama, Kobe and Osaka.*—Kongo Maru, Kokusai Line, July 16.
- To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.*—Calgary, July 20; Meriones (does not call at Freetown, Lourenco Marques or Beira), Aug. 5—both Elder Dempster Lines Ltd.
- To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Evansville, Ellerman & Bucknall SS. Co., July 26.
- To Colombia, Ecuador, Peru and Chile.*—A steamer, Canadian National, monthly.
- To Santos and Buenos Aires.*—Uganda, International Freighting Corp., July 18.

### From Quebec

- To Southampton.*—Empress of Britain, Canadian Pacific, Aug. 1 and 15.

### From Halifax

- To Liverpool.*—Nova Scotia, July 16; Newfoundland, Aug. 1—both Furness Line.
- To London and Hamburg.*—McKeesport (calls at Hull, Leith and Dundee), American Hampton Roads, July 18.
- To Aberdeen, Newcastle and Hull.*—Cavallo, Ellerman's Wilson Line, July 28.
- To Copenhagen and Baltic Ports.*—Batory (calls at Gdynia), Gdynia-America Line, Aug. 5.
- To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Townsend, Furness-Red Cross Line, July 13; Kongsbaug, Newfoundland-Canada SS. Ltd., July 13; Nova Scotia (does not call at St. Pierre), Furness Line, July 16; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., July 15.
- To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, July 16; Lady Drake, July 30—both Canadian National.
- To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion Line, July 20.
- To Santiago (Cuba) and Kingston (Jamaica).*—Kirsten B., July 15; Ciss, July 29—both Pickford & Black Ltd.
- To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Chomedy, July 13; Cornwallis, July 27—both Canadian National.
- To Kingston (Jamaica) and Belize (British Honduras).*—Cavalier, Canadian National, July 20.
- To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Malayan Prince, July 18; Silverteak, Aug. 1; Cingalese Prince, Aug. 15—all Silver-Prince Line.
- To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—Prometheus, Java-New York Line, Aug. 15.

### From Saint John

- To Manchester.*—Manchester Exporter, July 25; Manchester Brigade, Aug. 22—both Manchester Line.
- To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, Canadian National, July 22.

*To Kingston and Jamaican Outports.*—Harboe Jensen, July 17; Crawford Ellis, July 24—both United Fruit Line.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—Irisbank, American and Indian Line, July 14.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Heian Maru, July 18; Hikawa Maru, Aug. 11; Hiye Maru, Aug. 29—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Japan (calls Honolulu), July 25; Empress of Asia (calls Nagasaki), Aug. 8; Empress of Canada (calls Honolulu), Aug. 22—all Canadian Pacific; Ixion, Aug. 2; Talthybius, Aug. 30—both Blue Funnel Line (call at Miike but not at Manila).

*To Shanghai.*—Harlingen, July 30; Stonegate, Aug. 10—both Ocean Shipping Co. Ltd.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Hopecrest, Silver-Java Line, July 31.

*To Honolulu, Suva, Auckland and Sydney.*—Aorangi, July 15; Niagara, Aug. 12—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Kauri, July 15; Golden Bear, Aug. 15—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Limerick, July 14; Cape Horn, Aug. 12—both Canadian-Australasian Line.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—A steamer, Empire Shipping Co., July.

*To Sydney, Melbourne and Adelaide.*—A steamer, July; Hartington, July-August; a steamer, August—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Drecht dyk (calls at Glasgow), July 25; Nictheroy, Aug. 8; Damsterdyk (calls at Glasgow), Aug. 22—all Holland-America Line.

*To London, Liverpool and Cardiff.*—A steamer, Reardon Smith Line, July.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., July.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—A steamer, Empire Shipping Co., July.

*To Scandinavian Ports.*—Annie Johnson, July 15; Buenos Aires, Aug. 10; Canada, Aug. 17—all Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—A steamer, Empire Shipping Co., July.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., July.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Silverbelle, Silver-Java Pacific Line, Aug. 5.

*To Cape Town, Algoa Bay, East London, Durban, and Lourenco Marques.*—A steamer, South African Dispatch Line, August.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—A steamer, July 22; Hardanger Aug. 21—both Empire Shipping Co.

*To Puerto Colombia, Kingston and Tampico.*—A steamer, Gulf Pacific Mail Line Ltd., July.

### From New Westminster

*To London and Liverpool.*—Memphis City (calls at Avonmouth), B. W. Greer & Son Ltd., July 14; Treverbyn (does not call at London), Anglo-Canadian Shipping Co., July 15; Pacific Shipper (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., July 16; Corrientes (calls at Glasgow), Balfour Guthrie & Son, July 30; Sacramento Valley (calls at Cardiff), Reardon Smith Line, Aug. 3.

*To Manchester.*—Corinthic, Anglo-Canadian Shipping Co., July 20.

*To United Kingdom Ports.*—San Antonio (calls at Continental ports), Empire Shipping Co., July 25; Chloe, Anglo-Canadian Shipping Co., July 28; John Bakke, Canada Shipping Co., July 29.

*To Shanghai.*—Harlingen, Ocean Shipping Co., July 18.

*To Chinese Ports.*—Rokos Vergottis, Canada Transport Co., July 15; Stonegate, Ocean Shipping Co., July 20.

*To South African Ports.*—Mapia, Dingwall Cotts & Co., July 20.

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*  
*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, Northern Sumatra, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*  
*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*  
*Tientsin:* C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

### Cuba

E. L. McCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

### Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

### Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

### India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

# CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

## Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

## Japan

*Tokyo:* J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

*Kobe:* R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

## Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

## Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

## New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

## Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

## Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

## Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

## South Africa

*Cape Town:* G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

*Johannesburg:* J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

## United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London:* W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

## United States

*New York City:* D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

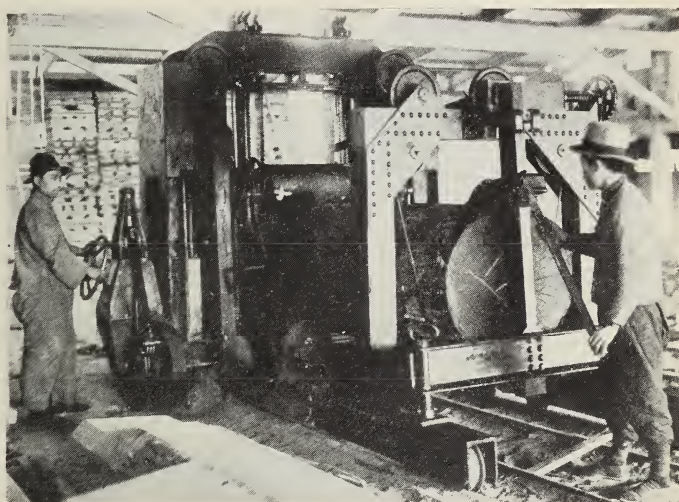
# COMMERCIAL INTELLIGENCE JOURNAL



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No. 1694



Douglas Fir Logs being sawn with Chinese-made, six-bladed  
Crosscut at Tientsin, North China.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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# COMMERCIAL INTELLIGENCE JOURNAL

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## THE CANADA YEAR BOOK, 1936

The publication of the 1936 edition of the Canada Year Book is announced by the General Statistics Branch of the Dominion Bureau of Statistics. The Canada Year Book is the official statistical annual of the country and contains a thoroughly up-to-date account of the natural resources of the Dominion and their development, the history of the country, its institutions, its demography, the different branches of production, trade, transportation, finance, education, etc.—in brief, a comprehensive study within the limits of a single volume of the social and economic condition of the Dominion. This new edition has been thoroughly revised throughout and includes in all its chapters the latest information available up to the date of going to press. The volume extends to over 1,150 pages and is illustrated by many maps and diagrams.

Owing to the urgent need for economy in the distribution of Government publications, it has become necessary to make a charge to *all individuals* receiving the Canada Year Book. Persons requiring the Year Book may obtain it from the King's Printer, Ottawa, as long as the supply lasts, at the price of \$1.50, which covers merely the cost of paper, printing, and binding. By a special concession, ministers of religion, bona-fide students, and school teachers may obtain paper-bound copies at the nominal price of 50 cents each.

## ARGENTINE EXCHANGE REGULATIONS

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, June 10, 1936.—Argentina exports agricultural products almost exclusively, and as a debtor nation must maintain a large surplus of exports to meet her financial services abroad. Regulation of foreign exchange transactions was resorted to in 1931 during the period of crisis as the most ready method of restricting imports. It has been continued, ostensibly for the purpose of maintaining a balance in their international payments. Imports have been restricted and redirected by the establishment of a preferential rate on sales of foreign exchange which differs mainly from a preferential customs tariff in that adjustments as between countries are made largely at the discretion of Argentina rather than by mutual agreement, within such limits as are set by existing commercial treaties.

## EXCHANGE CONTROL BOARD

Whereas during the early period of exchange regulation in Argentina drastic measures were adopted which took no cognizance of the rights or interests of foreign firms, official exchange regulation as it has evolved and as at present in effect means only that the Argentine Government through an official body, the Exchange Control Board, has at its disposal practically the entire available supply of foreign exchange. The price is fixed in local currency, which the

Exchange Control Board pays for this supply, comprising with minor exceptions all exchange arising from exports from Argentina. The Exchange Control Board in turn fixes a preferential rate at which a specified amount of this exchange supply will be offered for sale to designated buyers. It indirectly controls the higher rate at which all other interested parties must buy their exchange requirements.

Any person may now purchase foreign exchange in Argentina at any time, in any amount, and for whatever purpose, from the banks or other sources. It is only a question of how much an interested buyer will have to pay for the dollars, sterling, or other foreign exchange which he wishes to purchase, as compared with competitive buyers of exchange. There is consequently no longer any risk to the exporter to Argentina inherent in the exchange regulations.

#### FIRST PERIOD OF CONTROL

With the general decrease in export values in 1931, the Argentine Government was faced with the necessity of curtailing aggregate imports to a corresponding degree. It was decided that a system of exchange control would be more effective than an increase in import duties. Consequently imports were restricted indirectly on the principle, presumably, that if the exporter was not paid for his goods further shipments would not be made.

Exporters, particularly of luxury-type goods, soon did curtail shipments to Argentina since they found that their products were being discriminated against in exchange matters in favour of necessities from abroad. In spite of this, large sums soon accumulated in Argentine banks awaiting transfer to the owners abroad, including exporters, investors, and private parties. Substantial losses were incurred by exporters and others despite guarantees exacted by the banks from Argentine buyers on their behalf. Finally, after nearly two years, the Argentine Government was able to arrange with the leading countries interested, such as the United Kingdom, France, the United States, Holland, Belgium, Switzerland, Italy, and Spain, for loans in order to liquidate the "blocked funds" of the respective countries. The various arrangements made were in general to the effect that the owners of these funds were given Argentine Government bonds bearing interest at 4 per cent in lieu of cash.

The release of the "blocked funds" from Argentina through the issue of bonds relieved the pressure in the exchange position. New regulations were almost immediately adopted whereby exchange could at least be purchased legally even though only at a price under certain circumstances. Although certain foreign interests may at this late date still hold funds in Argentina in anticipation of possibly a more favourable rate of exchange on the transfer, this is purely speculation on their part and has no bearing on the present exchange regulations.

#### PRESENT EXCHANGE POSITION

Under the regulations governing exchange transactions in Argentina which have been in effect for more than two years, all risks to the exporter from the regulations themselves have been eliminated. There is no longer the possibility of an exporter finding himself in the unfortunate position of not being able to withdraw his funds at will from Argentina. On the other hand, the exchange system is the determining factor in regulating the origin of imports into Argentina.

The Argentine Government virtually controls the available supply of foreign exchange, since all exchange arising from the export of Argentine goods with certain minor exceptions must be sold to the Exchange Control Board at a rate fixed by that official body. Private exchange which does not relate to merchandise exports may be sold at will at the open market rate of the day.

The supply of foreign exchange acquired by the Exchange Control Board at a fixed rate is offered for sale, at higher rates, to importers and other interested parties, and the profits accruing, which are estimated currently at above 10,000,000 pesos monthly, go to a fund which is available for the purpose of giving direct financial aid to the agricultural industries as may be considered necessary or advisable. The latter was originally an important point made in justifying the exchange policy, but the future maintenance of fixed minimum prices for wheat seems to be no longer inseparable from exchange regulation.

#### RATE REGULATION

Since the Exchange Control Board virtually controls the available supply of exchange, it is in a position to fix or regulate the rate or rates at which this exchange will be offered for sale. Exchange is available for purchase in Argentina at two different rates. The Exchange Control Board offers exchange from its supply at a preferential rate which is fixed officially and which bears a definite relationship to the cost of the exchange to the authorities. Only those with special authorization, however, may buy exchange at this preferred rate. All others may buy their exchange requirements at the higher rate, which fluctuates but in practice is indirectly controlled through open market transactions to suit the purpose of the authorities.

Since exchange may be purchased at two different rates, buyers of exchange may be classified as "preferred buyers" or "non-preferred buyers," according as they are able to purchase their dollars, sterling, francs, etc., at the preferred or the higher rate.

#### PREFERRED BUYERS

Members of this group must be in possession of a permit which is issued by the Exchange Control Board. This permit indicates the amount of exchange which the holder may purchase and the purpose for which it may be used. The permits are issued covering an aggregate amount for remittance to a particular country which will not exceed the total value of that country's purchases of Argentine products in a given year. If the permit relates to merchandise imports, it must have been obtained twelve days before the arrival of the goods.

Within the limit indicated, covering the aggregate amount of exchange sold for remittance to one country at the preferential rate, prospective exchange buyers are admitted to this preferred group in order of preference as follows:—

(a) Importers of particular commodities from individual countries. If the supply of exchange provided to Argentina through purchases of her products by any one country does not permit of the preferred rate being given to all buyers, those purchasing exchange in respect of commodities considered of prime necessity, as in the case of Canada for farm implements and newsprint, are given first preference.

(b) Foreign interests for the transfer of interest and dividends but not the return of capital to investors abroad. All British investment interests are now in this preferred group. The British railways in Argentina have been, in fact, recently granted a specially reduced rate on their dividend and interest remittances, even below that enjoyed by any other group.

#### NON-PREFERRED GROUP

This group comprises all prospective exchange buyers not specifically authorized to buy at the lower rate. Buyers in this group may be classified as follows:—

(a) Importers of merchandise who have not previously obtained approval of the authorities to effect the particular transaction. Exchange in this case must be purchased in the open market at the higher rate.

If an importer of a particular commodity from Canada were in the non-preferred group, a dollar would cost to-day 3.59 pesos, whereas a preferred importer of the same commodity from another country would be able to buy the equivalent of a dollar for 3.38 pesos. In addition, however, a variable tax is levied on the commodity imported by the non-preferred buyer, payable at the customs on entry, which always brings the cost to him 20 per cent

higher than to a preferred buyer. Consequently if an importer was on the preferred list, he could pay the aggregate cost of a purchase from Canada at 4.05 pesos to the dollar, whereas otherwise he would have to pay 3.38 pesos. It is through this 20 per cent differential in the cost of particular goods as between different supplying countries that the source of Argentine imports is directly influenced.

(b) Foreign interests for dividend and interest remittances, providing exchange at the preferential rate is not available.

(c) Most private remittances which are not connected with merchandise transactions.

### EXCHANGE TREATIES

Since the purpose of the exchange regulations was originally to restrict imports in order to arrive at a balance of international payments, and subsequently to control imports in order to maintain an equilibrium in external payments, it was considered necessary by countries, particularly the important consumers of Argentine agricultural products such as the United Kingdom, which normally provide large favourable balances to Argentina on merchandise account, to ensure through treaties that they received sufficient exchange at favourable rates to pay for their exports to Argentina, after due allowance has been made for interest on the Argentine foreign debt, and that any exchange balance still remaining to their credit should be applied first against interest and dividend remittances as required at the most favourable rates available.

In addition certain other countries, such as Switzerland and Finland, which normally provide a net balance unfavourable to Argentina, found it expedient to negotiate treaties due mainly to the fact that the official returns of trade with Argentina were incomplete on account of the absence of direct transportation facilities. It was mainly a question of arriving at a mutually satisfactory basis of estimating the actual volume of trade between the country concerned and Argentina.

Commercial treaties have been effected with Argentina, including reference to exchange matters, by the United Kingdom, Belgium, the Netherlands, Switzerland, Germany, Spain, and Finland. The exchange clauses of these treaties are fairly uniform. Reference is made in certain of the treaties to the "blocked funds," but these have now been eliminated as a direct problem here other than in a few cases where firms are still undecided as to when to accept, or whether they or the Argentine buyer should accept any losses involved in the transfer of the funds. Otherwise only a "most favoured nation clause" relating to exchange is included in the treaties. In addition, however, it is agreed that machinery will be set up to ensure that the terms of the agreement are carried out on a mutually satisfactory basis.

In practice this has meant that after the particular country concerned has agreed with Argentina, on the statistical basis which is to be used in measuring the interchange of trade, Argentina provides the authorities concerned with complete data on the operations of the Exchange Control Board in so far as they relate to the particular country. Only in the case of Germany has a "clearing arrangement" been adopted.

### VALUE OF THE EXCHANGE TREATIES

It is impossible to appraise definitely the value of these exchange treaties. The treaties do not affect directly in any way the operations of the Exchange Control Board with the countries concerned as against non-treaty countries. It is only that the treaty countries have at their disposal means to the end of satisfying themselves that they are being accorded by Argentina equitable treatment in exchange matters. There does not appear to be any evidence, however, to indicate that direct benefits obtain to treaty countries. As regards other treaties between Argentina and various countries which contain the usual "most favoured nation clauses," it has been suggested that the variable tax, which is applied in order to add 20 per cent to the cost of merchandise imported in certain

cases as previously indicated, can only be described as an addition to the customs duty applicable on the particular goods.

### EFFECT ON IMPORTS

Under the present system of exchange regulation, Argentina maintains a balance in international payments at rates of exchange for sterling—other rates fluctuate with sterling—which have shown but minor fluctuations over the past few years. As indicated, this is achieved through offering a preferential exchange rate to encourage imports from those countries with which Argentina has a favourable balance of payments and discriminating in exchange matters against those countries which do not buy a sufficient quantity of Argentine products.

The extent of this exchange preference is indicated by the fact that during the period from April, 1933, to the close of 1935 the preferential exchange rate was granted in respect of all merchandise imports from the United Kingdom, whereas for all other countries only 69 per cent were paid for at the preferential rate. Such countries as Belgium, the Netherlands, Denmark, and Norway would also receive the preferential rate on all their exports. The effect was therefore to favour imports from the United Kingdom and the other important buyers of Argentine products.

Since the preferential exchange rate affects directly only imports here, and as Argentine exports are not affected except in so far as other countries have adopted similar measures, the tendency is towards a reduction in the existing unfavourable balances which Argentina has with particular countries and to redirect imports from these latter countries to those purchasing larger quantities of Argentine products. A study of this trend is possible because as a primary producer the principal countries with which Argentina trades are readily divisible into two groups, those with normally favourable and those with unfavourable balances on merchandise account to Argentina.

In the table following under "Group I" are shown the aggregate favourable merchandise balances to Argentina with the principal consumers of Argentine products, namely the United Kingdom, France, Belgium, the Netherlands, and Denmark for certain recent years. Each of these five countries invariably buy more from Argentina than they sell here. "Group II" includes the principal countries with which Argentina nominally has unfavourable balances as shown individually, and "Group III" covers all other countries.

### *Trend, Merchandise Trade Balances to Argentina, with All Countries, 1928-35, and Percentages of Argentine Imports Supplied*

	Group I		U.S.	Group II—Net —					Group III		Aggregate Balance +
	Net +	%		Spain	Italy	Japan	Total	%	Net —	%	
				Figures in Millions of Pesos							
1928. . . . .	612	34	243	1	40 <sup>1</sup>	9	213	35	96 <sup>1</sup>	31	495
1929. . . . .	636	30	304	7 <sup>1</sup>	48	8	353	38	75	32	208
1930. . . . .	293	32	236	44	96	9	385	36	192	32	284 <sup>2</sup>
1931. . . . .	590	33	97	31	38	6	172	30	136	37	282
Av. 4 yrs.	533	32	220	17	35	8	280	35	77	..	175
1932. . . . .	593	32	69	7	20	10	106	30	36	38	451
1933. . . . .	364	34	20	18	52	16	106	28	34	38	224
1934. . . . .	479	38	67	15	26	25	133	26	17	36	329
1935. . . . .	472	37	29 <sup>1</sup>	17	8 <sup>1</sup>	45	25	26	80	37	367
Av. 4 yrs.	477	35	32	19	22	24	91	27	43	..	343

<sup>1</sup> Favourable. <sup>2</sup> Unfavourable.

During the first four-year period the countries included in Group I above took an average of 61 per cent of all Argentine exports as compared with 64.5 per cent during the second period. The corresponding percentages for Group II

countries were 16.8 and 13.4. Consequently, while there was some change in the direction of exports from Argentina, the drastic reduction which Argentina effected in her aggregate unfavourable balance of trade with Group II and Group III countries, and particularly the United States, as between the two periods, was due almost entirely to a relative reduction in Argentine imports from these particular countries.

#### REDIRECTION OF IMPORTS

This redirection of imports is indicated by the decrease in the percentage of Argentine imports supplied by Group II countries from 35 to 27 for the first four-year period, as compared with the second period, whereas Group I countries increased their percentages from 32 to 35 for the corresponding periods. Although imports from all other countries show an upward trend, this is due to oil shipments.

The net result as indicated in the table has been that Argentina improved her favourable balance of trade on merchandise account 168,000,000 pesos during the latter four-year period as compared with the previous period. The unfavourable balance with the United States was decreased to the amount of 188,000,000 pesos, and with Italy 13,000,000 pesos. Corresponding net decreases were shown for most Group III countries. Japan alone improved her position in this market by selling more textiles, despite the exchange differential against her exports.

#### CANADA'S POSITION

Since Canada has always had a large favourable balance of trade with Argentina, exchange has been difficult to obtain at the preferential rate for most Canadian products. At the present time newsprint and farm implements from Canada may be paid for at the preferential rate. It is not possible to make a definite rule, but generally newsprint and farm implements readily absorb all the exchange that the authorities consider Canada is entitled to at the preferential rate by reason of the volume of Canadian purchases from Argentina. The following table indicates the trade position between Canada and Argentina for recent years:—

#### *Canadian Trade with Argentina*

Fiscal Years	Exports			Exports Total Canadian	Imports Total Dollars	Balance to Canada
	Newsprint	F. Impl. Figures	Other in 1,000			
1929..	2,619	3,322	8,552	14,493	7,427	+7,066
1930..	2,950	5,985	10,271	19,206	10,232	+8,974
1931..	3,535	2,090	4,384	10,009	6,739	+3,270
1932..	2,130	176	2,043	4,349	2,608	+1,741
1933..	1,301	184	1,025	2,510	895	+1,615
1934..	1,419	191	1,184	2,794	2,049	+ 745
1935..	1,898	665	1,484	4,043	2,791	+1,252
1934 <sup>1</sup> ..	2,222	608	1,402	4,231	3,083	+1,148
1935 <sup>1</sup> ..	1,727	1,089	1,151	3,968	3,287	+ 681

<sup>1</sup> Calendar years.

Apart from 1934, when there was an unexpected increase in newsprint shipments, Canada's favourable balance of trade with Argentina has decreased steadily since 1930. Imports from Canada are now restricted outside of newsprint and farm implements to products for which no competitor happens to be given exchange at the preferential rate. Exchange is more or less readily available at the preferential rate to pay for all products which come from the United Kingdom, the Netherlands, Belgium, Switzerland, France, Germany, Denmark, and Norway. The United States is in much the same position as Canada, although the preferential rate is available to them for a wider range of commodities.

### EXCHANGE EQUALIZATION FUND

The Central Bank operates an exchange equalization fund on behalf of the Argentine Government. The regulative intention of this fund is to keep fluctuations in exchange rates within defined limits. It has also been possible through this fund to satisfy the daily demand for exchange and so avoid the necessity of having wide variations in the preferential selling rate. Further, through the operations of the Central Bank in the market, fluctuations in the variable selling rate are regulated as considered advisable. The buying and selling rates of exchange have been varied officially or permitted to fluctuate in the case of the one selling rate within very narrow limits.

### EXCHANGE PROFITS

Exchange regulation has been a ready and substantial source of revenue to the Argentine Government. Until August 15, 1935, profits had accrued to the amount of 197·8 million pesos. Estimating current profits at 10,000,000 pesos monthly, aggregate profits to date would amount to nearly 300,000,000 pesos (\$100,000,000 Canadian). This fact is important in considering the probability of any modification in the exchange regulations in the near future.

It is the declared intention of the authorities to use the profits from exchange operations to assist the agricultural industries. Until August 15 of last year, 69·5 million pesos had been used to cover exchange trading losses, 9·1 million in meeting losses of the Grain Board incurred mostly in maintaining the minimum prices on wheat in 1934, 3·1 million to the Milk Board to increase butterfat prices directly, 3 million to the Meat Board mainly to help finance a newly formed producers' organization, and 0·3 million pesos to the Cotton Board. It has been proposed in addition that an appropriation from this fund be made towards the construction of the new system of grain elevators.

Demands on exchange profits this year will be largely to meet losses incurred by the Grain Board in maintaining the present high minimum prices on wheat, corn, and flaxseed. Despite this, the authorities would seem to have already an ample supply of funds from exchange profit to meet any likely demands in the near future. It would not seem that current commitments on the part of the Government in respect of exchange profits should tend in themselves to perpetuate the present system of exchange regulation.

### EXCHANGE FOR GOVERNMENT CONTRACTS

The granting of the preferential exchange rate in respect of purchases made by Government departments is subject to the same considerations applying in the case of ordinary merchandise imports. This tends directly to divert Government business to those countries which are important purchasers of Argentine products.

### POSITION OF BLOCKED FUNDS

The problem of blocked funds in Argentina no longer exists except in so far as there still may be differences of opinion in particular cases concerning which party will accept losses to be incurred in transfer of the funds, due to the depreciation in the exchange value of the Argentine peso since the deposit was originally made here. In the case of Argentine importers who deposited pesos in settlement of drafts during the period when it was impossible to legally transfer these funds abroad, settlement was made eventually in most cases with the exporters concerned on the basis of each accepting half the loss. It may be stated that the developments in the exchange situation during the early period of control were such that even the most reliable and financially sound Argentine firms were obliged to seek concessions from shippers. The less reliable importers, of course, took advantage of the position.

## GENERAL

Argentina must now be classed among the highly protectionist countries, although the tariff itself has never been a factor in politics despite the importance of the agricultural industries dependent almost wholly on foreign markets. This apparent lack of interest may be attributed, apart from differences in the political organization in this country, largely to the numerical preponderance of urban dwellers in the distribution of population. The farm operators are almost exclusively tenants, operating large farms, but they represent only 4·4 per cent of the total population.

The protection afforded local manufacturing industries up to the crisis was substantial, but since 1931 probably the equivalent of an ad valorem duty of 50 per cent has been added through the application of a 10 per cent general surcharge on all duties, currency depreciation in excess of dollar depreciation, and exchange preferences. Exchange regulation alone has added an estimated 10 per cent to the average cost of all goods imported into Argentina. Consequently exchange regulation has not only protected local industry but has been an effective instrument in modifying the trade relations of Argentina with particular countries, through the use of the 20 per cent preferential exchange rate. Since Argentina does not have a multi-column customs tariff, and as it is difficult for Argentina to make specific duty reductions that will be of advantage only to individual treaty countries, exchange regulation has to a degree served a similar purpose but can only be considered an emergency measure. There would seem to be no longer an urgent need for maintaining the present system, however, either from the point of view of controlling the exchange rate of the peso or as a source of revenue.

TRADE OF SOUTH AFRICA IN 1935<sup>1</sup>

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

## III

## Imports from Canada

(Figures within parentheses refer to 1934; tons are short tons of 2,000 pounds)

Imports of merchandise from Canada for the five years 1929 and 1932 to 1935 were as follows, excluding Government stores:—

1929	1932	1933	1934	1935
£2,732,000	£1,117,000	£1,205,000	£2,492,006	£2,436,737

Direct Government purchases are not included, when referring to imports into South Africa, by the Union Bureau of Statistics, but there does not appear to be any good reason, apart from custom, why Government direct imports should not be included. In any case, direct imports by the Government from Canada in 1935 were valued at £205,317 (£73,095), chiefly rails, out of total Government purchases of £3,657,041 (£2,314,132).

The Annual Statement of Trade and Shipping for the Union of South Africa lists 222 different commodities each in excess of £100 as being received from Canada. This is an increase of eleven commodities over 1934. Office records show that 378 manufacturers or exporters shipped to South Africa in 1935, which compares with 379 in 1934 and 238 in 1933.

Imports from Canada are mainly represented by eight large items, which account for nearly three-quarters of the total. In the table below thirty-five

<sup>1</sup> The first part of this report, dealing with the trade in general terms and particularly with the imports, was published in No. 1692 (July 4), and the second, on the import trade, in No. 1693 (July 11).

commodities have been listed, which account for 91·4 per cent of the imports from Canada into the Union, compared with 92·2 per cent in 1934 and 89·7 per cent in 1933. Following the table, comment is made on many of the commodities listed, as well as on a number not listed in the table, which are for one reason or another worthy of special mention.

*Principal Imports from Canada into the Union of South Africa*

	1934		1935		
	Total Impts. all Countries	Imports from Canada	Total Impts. all Countries	Imports from Canada	Inc. or Dec.
Motor vehicles, chassis, parts and accessories . . . . .	£ 6,084,955	£ 690,972	£ 6,945,279	£ 679,091	—£11,881
Rubber tires and tubes . . . . .	623,493	274,681	406,594	236,417	— 38,264
Agricultural implements . . . . .	1,015,865	182,252	1,186,465	221,439	+ 39,187
Hosiery . . . . .	717,356	199,698	708,150	216,497	+ 16,799
Rails . . . . .	190,189	68,607	439,729	190,683	+122,076
Cyanide . . . . .	371,152	91,885	446,481	153,925	+ 62,040
Cooking appliances . . . . .	258,294	110,612	254,047	127,080	+ 16,468
Newsprint . . . . .	196,397	75,357	226,381	115,416	+ 40,059
Salmon and sardines . . . . .	294,872	88,659	281,965	88,347	— 312
Pine and other soft woods excluding pitch pine . . . . .	831,070	82,919	884,051	87,208	+ 4,289
Insulators, porcelain . . . . .	25,913	9,282	50,154	31,396	+ 22,114
Wrought iron and steel pipes . . . . .	424,645	23,571	552,900	26,539	+ 2,968
Belting, other than leather . . . . .	136,010	20,315	162,787	23,883	+ 3,568
Pulpboards . . . . .	44,177	13,303	64,825	20,353	+ 7,050
Binder twine and harvest yarn . . . . .	27,885	15,284	35,295	14,437	— 847
Netting . . . . .	111,330	12,260	121,898	13,906	+ 1,646
Apples . . . . .	13,065	10,060	19,621	13,894	+ 3,834
Vegetables, canned, including green peas and beans . . . . .	78,603	10,782	81,491	13,686	+ 2,904
Underclothing . . . . .	577,063	14,319	543,704	13,116	— 1,203
Shovels and forks . . . . .	39,735	12,056	43,600	12,181	+ 125
Outer garments, women's . . . . .	1,515,941	5,353	1,693,461	10,841	+ 5,488
Rolled oats . . . . .	11,033	8,831	12,152	10,605	+ 2,774
Nails, wire and other . . . . .	85,683	8,444	86,914	10,275	+ 1,831
Rubber boots and shoes . . . . .	15,474	5,824	19,019	9,956	+ 4,132
Pig lead . . . . .	25,687	12,470	32,865	9,609	— 2,861
Rubber-soled canvas shoes . . . . .	42,575	9,204	48,847	8,546	— 658
Mechanics' tools . . . . .	332,486	11,015	376,724	8,076	— 2,939
Box shooks, fruit and dairy . . . . .	256,760	31,338	205,595	7,476	— 23,862
Flooring and ceiling wood . . . . .	290,630	8,749	269,285	5,862	— 2,887
Wheat . . . . .	197,610	191,742	10,416	5,351	—186,391
Other printing paper . . . . .	328,772	4,854	362,043	4,483	— 371
Fencing, barbed . . . . .	129,858	19,520	129,765	4,142	— 15,378
Chocolates, confectionery and other manufactured sweets . . . . .	151,893	5,731	185,398	4,062	— 1,669
Typewriters and accessories . . . . .	83,855	32,308	82,081	3,337	— 28,971
Shingles . . . . .	4,455	2,267	1,276	1,075	— 1,192
Total . . . . .	£15,534,783	£2,364,524	£17,070,239	£2,402,152	
Canada's percentage of imports in above commodities . . . . .			14.07 per cent		
Percentage of Canada's total exports to South Africa represented by above commodities . . . . .			91.4 per cent		

VEHICLES

It was not anticipated that 1935 would see any appreciable increase in the imports of motor vehicles, owing to the exceptionally large increase which took place in 1934. Nevertheless, substantial increases have been reported. Imports of motor cars numbered 21,525 as compared with 19,166 in 1934 and 10,755 in 1933. In motor car chassis, 20,047 were imported in 1935 as compared with 18,389 in 1934 and 6,378 in 1933. In motor trucks, vans, etc., 954 (618) were imported; in motor truck chassis, 6,783 (7,785).

The United Kingdom, after heading the market as a source of supply in 1932, has fallen rapidly behind, the United States obtaining an ever-increasing share of the total. In motor cars Canada obtains only a small proportion of

the total, being credited with 82 (22). In motor car chassis a fair share of the market is obtained—6,761 (6,190). In motor trucks the United States was credited with 576 (445), the United Kingdom with 243 (136), and Canada with 120 (33). In motor truck chassis the United States is credited with 4,513 (5,079), Canada with 1,549 (2,020), and the United Kingdom with 640 (675). Under parts and accessories, the United States was credited with £869,914 (£732,610) out of a total of £1,145,764 (£1,041,159), the United Kingdom with £177,848 (£172,547), and Canada with £81,720 (£108,611), the Dominion thus showing a substantial decrease in both quantity and percentage. Parts and accessories as listed above do not include motor car batteries or brake linings.

Imports in the current year will probably not more than equal those of 1935. No progress has apparently been made in persuading motor car manufacturers to further advance their present process of assembling in the Union.

Motor vehicles and parts last year ranked first in the imports from Canada, and accounted for a large proportion of the total.

#### RUBBER TIRES AND TUBES

The above commodities ranked second both in 1934 and 1935 in imports into the Union from Canada, and it can therefore be understood that the establishing of two and possibly three tire plants in the Union is bound to have a serious effect on the trade. It is already noticeable in the lower imports from Canada in 1935. Even so, the Dominion has not been as seriously affected as either the United Kingdom or the United States. The United Kingdom ranks second as a supplier of motor car and truck tires and tubes, with the United States in third place. This is owing to the tariff preference which both Canada and the United Kingdom enjoy.

#### HOSIERY

Imports of hosiery from Canada continue to make steady progress, and showed a healthy increase. The bulk of these is under the heading "hosiery, other," which includes full-fashioned pure silk hose, the best seller—in fact, accounting for £213,713 (£196,731) of the total from all countries of £509,980 (£522,988). The United Kingdom supplied to the extent of £98,054 (£127,973); and the United States, £75,117 (£67,203). Japan has shown the largest increase of recent years, with imports valued at £69,954, as compared with only £6,589 in 1932.

The imports of cotton hosiery came almost entirely from the United Kingdom, followed by Japan, while woollen hosiery is imported almost exclusively from the United Kingdom. Several Canadian hosiery manufacturers have visited South Africa, which accounts in no small measure for the increased trade. It is confidently expected that during 1936 Canada will increase her share still further under this heading.

#### WHEAT

Canada's slight drop in the returns can be entirely attributed to decreased importations of wheat. Her shipments of wheat have been falling steadily, but during 1934 there was a shortage in South Africa, which enabled the Dominion to supply a substantial quantity. During 1935 there was an exceptionally good crop, with the result that there is now a surplus, and consequently, owing to wheat only being allowed entry under permit, imports last year practically ceased. The outlook for 1936 is equally discouraging, and it is unlikely that South Africa will ever again be in the market for substantial quantities unless affected by almost complete crop failures.

#### AGRICULTURAL IMPLEMENTS

Canada was able to show a substantial increase under this heading. Cream separators imported from all countries numbered 12,252 (9,552) valued at

£47,143 (£39,472); Sweden was the chief source of supply with 10,237 (7,526). Canada supplied 170 (187).

Binders and reapers imported numbered 4,374 (4,970) valued at £142,476 (£122,486). Of these Canada supplied the largest number, 1,758 (1,343) valued at £43,233 (£31,904), followed by the United States with 1,385 (1,316) valued at £53,067 (£39,338).

Ploughs, harrows, and parts imported numbered 67,756 (54,058) valued at £384,559 (£328,677), of which Germany supplied 26,801 (16,518) valued at £101,510 (£73,802); Canada, 15,621 (11,965) valued at £106,009 (£88,909); the United States, 14,348 (14,839) valued at £94,498 (£91,564). Under this heading Germany obtained the largest increase during the year, but the value of her sales are actually smaller than those from Canada, although the Dominion supplied 11,000 pieces less. The same remarks apply to the United States as compared with Germany. In other words, Germany is obtaining an increasing share of the market with a lower-priced product.

Hoes and picks imported numbered 602,828 (600,231) valued at £18,953 (£19,125). The United Kingdom is the chief source of supply, followed by Germany.

Spades imported amounted to 124,031 (154,404) valued at £13,282 (£17,164), principally from the United Kingdom, with Germany supplying about 15 per cent.

Farm tractors were obtained almost entirely from the United States. These numbered 566 (514) out of a total of 708 (621).

Threshing machines were imported chiefly from Canada, with 114 (69) valued at £28,932 (£20,658) out of total imports of 204 (105) valued at £61,079 (£33,392). Apart from threshing machines, practically all imports of all types of agricultural machinery and implements have shown a steady increase during the last four years, and the outlook for the immediate future is still promising. Canada's position as a source of supply has been well maintained, although it is expected that increasing competition will be experienced from an effort by local manufacturers to make in larger variety the more simple types of implements.

#### ELECTRIC HEATING AND COOKING APPLIANCES

Canada has shown an annual increase under this heading for the last four years, although total imports from all countries for 1935 were slightly less than for 1934. Electric stoves and rangettes constitute the largest proportion of the sales. Exports from the United Kingdom, which ranked second, were valued at £81,948 (£87,596)—a slight decrease. Imports from the United States were valued at £24,989 (£40,237), and from Germany at £14,265 (£13,678). The latter consist chiefly of various electrical appliances, and the same applies to imports from the United States. Although imports from the United Kingdom showed a decrease in the total, there is good reason for believing that her shipments of electric stoves increased.

Canada is known to have obtained a larger share of the imports in electrical appliances such as electric toasters, etc., for which there is a splendid market. The sale of Canadian electric stoves, however, notwithstanding the total increase last year under this heading, are showing signs of slowing up as compared with those from the United Kingdom. Furthermore, it is doubtful if total stove sales in the Union of South Africa during 1936 will be as high as for 1935, for several reasons. Ten years ago the South African market was really just beginning to appreciate the value of the electric stove. It was then easier to find a home without an electric stove than a home with one, but the position is now becoming rapidly reversed in several cities. In the second place, one of the cities last year showed a tendency to revert to gas; and finally, the enormous amount of construction which took place during 1934 and 1935 in apartment houses, which were often equipped with electric stoves, cannot continue indefinitely.

## CYANIDE

Imports under this heading were divided fairly evenly between the United Kingdom and Canada. The former is credited with 3,129 tons valued at £195,258, as compared with 6,243 tons valued at £153,925 from the Dominion. Although Canada supplied double the quantity, the value was less than that of the imports from the United Kingdom. Czechoslovakia supplied 1,828 tons valued at £94,710. Imports of cyanide were the highest for the last four years, but in view of the proposed construction of at least one factory in the Union, it is likely that imports under this heading will show a considerable decline in the next year or two.

## PRESERVED FISH

This heading, owing to the fact that there is no separate listing in the statistics for salmon and sardines, includes all canned fish with the exception of lobster, pastes, and caviare. It can be assumed that imports from Canada consist chiefly of salmon and sardines, and amount to 4,382,611 pounds (4,785,800 pounds). There was practically no change in the value of imports as compared with 1934. Imports from Norway, the United Kingdom, and the United States were all lower, amounting to 1,705,000, 1,132,000, and 633,000 pounds respectively. Japan, on the other hand, showed an increase with 1,453,052 pounds (1,237,235 pounds), in all probability chiefly in salmon. Russia also undoubtedly lost to Japan—419,000 pounds as compared with 718,000 pounds in 1934. If Canadian manufacturers could see their way to pack a larger quantity in flat tins at no increase in price the trade in canned salmon could undoubtedly be increased.

## PINE AND OTHER SOFT WOODS

Imports from Canada under this heading, while showing a slight increase in value, remained practically the same in quantity as in 1934, 24,000,000 f.b.m. This is nearly three times the 1932 quantity; but the total imports under this heading have increased over two and a half times. Canada has undoubtedly obtained a larger share of the total imports, but not anywhere near the percentage that there is reason to believe is obtainable. In 1932 Sweden, Finland, the United States, and Russia all ranked ahead of Canada as a source of supply. In 1935 Finland trebled her 1932 imports, and still occupies first place. Russia moved up to second place and Canada to third place, in so far as quantity is concerned. Last year Finland was credited with 61,000,000, Russia 39,500,000, the United States 19,000,000, Sweden 18,000,000, and Poland 9,000,000 f.b.m.

During 1936 imports from Canada under this heading will not only show at least a 50 per cent increase in quantity, but a definite percentage advance in the total.

## NEWSPRINT

Canada made a good recovery in newsprint in reels. The United Kingdom, after being the leading source of supply in 1933 and 1934, dropped back to second position in 1935. Total imports amounted to 23,152 tons (17,839 tons), of which Canada supplied 11,823 tons (6,670 tons) and the United Kingdom 6,250 (8,280).

Imports of flat newsprint amounted to 3,869 tons (4,607 tons) valued at £32,191 (£38,311). Canada has consistently maintained her leadership as a source of supply, and in 1935 supplied 2,330 tons (2,571 tons) valued at £18,713 (£20,541). The remainder came almost entirely from the United Kingdom.

## OTHER PRINTING PAPER

Imports amounted to 17,605 tons (15,578 tons) valued at £362,043 (£328,772), of which the United Kingdom supplied 5,432 tons (5,576) valued at £173,-

034 (£165,750). The remainder of the imports was divided between Norway, to the value of £61,151 (£44,490); Sweden, £33,971 (£32,179); Germany, £27,747 (£17,233); and Holland, £25,461 (£29,102). Among others, Canada supplied 149 tons (277 tons) valued at £4,483 (£4,854). Under this heading is included high-grade bond papers, and it is in this category that Canada obtained some share of the trade. The cheaper grades of printing paper come almost entirely from the Continent.

#### TYPEWRITERS AND ACCESSORIES

The United States was the chief source of supply with 5,006 (3,569) valued at £61,223 (£38,241). Canada lost a considerable portion of this trade in 1935 to the United Kingdom, the United States, and Germany. The United Kingdom's share numbered 838 (679) units valued at £12,041 (£9,088); Germany, 329 (226) valued at £5,246 (£3,829). Canada's share fell to 242 (2,277) valued at £3,337 (£32,308).

#### BOX SHOOKS

This commodity continues to offer an excellent opportunity for increased sales, but due to price and several minor reasons no appreciable progress has been made. Total imports of box shooks, for the packing of fruit and dairy produce, were valued at £205,595 (£256,760), of which Sweden is credited with £139,450 (£162,327), Norway with £29,640 (£21,352), and Finland with £24,851 (£29,602). Canada's share fell to £7,476 (£31,338).

Box shooks imported for other purposes were valued at £132,207 (£120,402). Sweden is again the chief source of supply with £85,354 (£78,519). Japan has been consistently increasing her share of the trade, reaching a total of £19,953 (£18,100); Norway is credited with £13,729 (£8,583) and Finland with £11,472 (£13,010). Canada supplied to the value of £360 (£1,092).

#### WROUGHT IRON AND STEEL PIPES

Imports under this heading have increased steadily for the last four years, but it is anticipated that 1935 will remain a peak year and that imports will decline during 1936. Messrs. Stewart & Lloyds, who began production of steel pipes in South Africa in 1928, with a capacity of about 1,000 tons per month, have enlarged their plant from time to time and by the middle of last year their output had reached 2,500 tons per month. In addition, dumping duties have been imposed on black tubes and pipes when imported from a number of countries, including Canada. Out of the total imports last year, apart from what Canada supplied (referred to in the table), the United Kingdom is credited with £390,935 (£251,000), Germany with £45,348 (£35,172), the United States with £29,273 (£49,766), and Poland with £25,067 (£30,238).

Wrought iron and steel pipe fittings were also imported from all countries to the value of £178,631 (£204,379). The United Kingdom was credited with £134,734 (£151,260), Germany with £35,249 (£35,805), and Canada with £2,081 (£3,197).

#### BELTING

Leather driving belting imports were valued at £25,322 (£21,700), and came almost entirely from the United Kingdom. Other types of driving belting were valued at £91,601 (£81,378). The United Kingdom was credited with two-thirds of the total, the United States with £14,559 (£11,920), and Canada with £14,588 (£15,769). Under conveyor belting, imports amounted to £71,186 (£54,632), of which the United Kingdom supplied to the value of £46,666 (£43,911); the United States, £15,177 (£6,073); and Canada, £9,295 (£4,546).

## WIRE FENCING

Imports of baling and binding wire were valued at £27,480 (£30,461), and came largely from Belgium, £9,199 (£16,546), Germany, the United States, and Canada. In plain fencing total imports amounted to £129,246 (£117,247), with imports divided between Germany, Belgium, the United States, and the United Kingdom, in the order named. Canada's share was £6,401 (£2,667). In barbed wire fencing the United States was the chief source of supply with £56,549 (£33,643), followed by Belgium, the United Kingdom, and Germany.

## WIRE NETTING

Total imports showed an increase over 1934. Canada has made consistent strides under this heading. Germany is the chief source of supply with £49,464 (£45,737), followed by the United Kingdom with £23,387 (£17,350) and Belgium with £20,765 (£18,087).

## PULP-BOARDS

As was to be expected, with the great amount of building that has taken place in the Union in recent years, imports of pulp-board have shown a substantial increase, with Canada continuing to obtain a good share of the imports. The United States was the chief source of supply, with 4,185,000 square feet valued at £26,932, as compared with 3,184,925 square feet valued at £18,280 in 1934. Canada contributed 3,006,000 square feet (1,751,499 square feet) valued at £20,353 (£13,305). There was no other source of serious competition, although both Sweden and Finland each supplied over 1,000,000 square feet.

## UNDERCLOTHING

Imports of cotton woven underclothing were valued at £43,881 (£41,839). The United Kingdom was the chief source of supply. Other types of woven underclothing imports were valued at £121,255 (£130,064). The United Kingdom was the chief source of supply with £79,208 (£95,647), followed by the United States with £17,602 (£15,196). Japan, China, and Switzerland all obtained a small share of the market; Canada contributed to the value of £2,841 (£1,810). Imports of men's knitted cotton underclothing were valued at £88,000 (£87,799), almost entirely from the United Kingdom. Canada was credited with £1,400 (£1,177).

Imports of women's knitted cotton underclothing were valued at £71,238 (£72,989). The United Kingdom was almost the only source of supply. Imports of men's rayon underclothing were comparatively small, and were supplied from the United Kingdom; women's rayon underclothing were valued at £124,911 (£144,173). The United Kingdom supplied to the value of £82,000 (£93,809); Czechoslovakia, £13,853 (£11,277); United States, £13,672 (£14,461). Canada's share dropped to £5,811 (£7,835). It had been confidently hoped that Canada's share would show a substantial increase in 1935, and the decline can be attributed to the general decrease in total imports; Czechoslovakia, however, showed a substantial increase.

## SHOVELS AND FORKS

Shovels and ballast forks imported numbered 440,361 (413,873) valued at £43,600 (£39,735). The United Kingdom and Canada obtained the bulk of the market, the former supplying 332,307 (318,839) and Canada 103,014 (92,909) forks. Imports of other types of shovels and forks were valued at £29,032 (£25,085), for which the United Kingdom was the chief source of supply, although Sweden, the United States, and Germany obtained a proportionate share, in the order named.

## MECHANICS' TOOLS

The United Kingdom was again the chief source of supply with £184,166 (£158,401), followed by the United States with £126,734 (£111,178) and Germany with £37,951 (£35,038). Canada dropped from fourth to fifth place as a source of supply.

## VEGETABLES, CANNED

Imports of canned peas and beans from all countries amounted to 2,765,854 pounds (2,601,786 pounds) valued at £38,054 (£36,029). The United States was the chief source of supply, followed by Belgium, Canada, and the United Kingdom. Imports under this item are likely to show a large decrease in 1936, owing to both beans and peas now being subject to a heavy duty with the object of building up a domestic industry. Canada, which had increased her exports from 72,000 pounds in 1932 to 595,000 pounds in 1935, will be one of the heaviest sufferers. Imports of other preserved vegetables in tins amounted to 1,852,551 pounds (1,990,857 pounds) valued at £43,437 (£42,574). This item includes canned corn, which is probably the largest single import under this heading. Imports from the United States amounted to 925,158 pounds (1,193,494 pounds) and from Canada 451,993 pounds (420,650). Italy was the only remaining large source of supply under this heading.

## APPLES

Total imports of apples in 1935 amounted to 51,468 boxes, the fourth successive year to register an increase. Canada is credited with 35,542 boxes, 10,000 more boxes than in 1934, and being equal approximately to 68 per cent of the total imports. The United States is practically the only remaining source of supply, with 14,906 boxes (6,289 boxes). It is anticipated that during 1936 Canada will obtain an even larger share of the total imports.

## RUBBER-SOLED CANVAS SHOES

Although imports under this heading increased to 1,182,831 pairs (860,212 pairs), Canada's share declined to 58,509 (73,262). Japan was the chief source of supply with an increase to 846,991 pairs (532,846 pairs), followed by Czechoslovakia with 222,973 pairs (185,952 pairs). The United Kingdom's share fell to 46,468 pairs (63,406 pairs). This would seem to indicate that the better-quality shoes coming from Canada and the United Kingdom lost sales to those countries able to supply a lower-priced article. It is anticipated that, with the completion of an up-to-date factory in Durban for the manufacture of a high quality of canvas-topped rubber-soled shoes, imports from both Canada and the United Kingdom will decline still further.

## FLOORING AND CEILING WOOD

Total imports of flooring and ceiling wood, planed, tongued, and grooved, amounted to 3,305,866 cubic feet (3,264,506) valued at £269,285 (£290,630). Imports under this heading did not show the response that was anticipated from the enormous amount of building and construction going on at the present time. Imports from Canada, contrary to all expectations, showed a substantial decrease, and amounted to 30,872 cubic feet (54,669). Finland was the chief source of supply with 1,635,000 cubic feet (1,627,000), followed by Sweden with 826,157 cubic feet (864,126). Norway, the United States, and Russia all supplied larger quantities than the Dominion.

## . RUBBER BOOTS AND SHOES

Imports under this heading include such items as goloshes and amounted to 81,836 pairs (79,951 pairs). Canada was the chief source of supply with

33,602 pairs (21,568 pairs), followed by the United Kingdom with 17,487 pairs (15,663); and Japan, 16,173 pairs (9,771).

#### CHOCOLATE CONFECTIONERY AND OTHER MANUFACTURED SWEETS

Imports of chocolate confectionery in 1935 amounted to 1,073,000 pounds (754,000). The United Kingdom was the chief source of supply, followed by Belgium, with 71,653 pounds (53,856). Canada's share continued to decline, amounting to 16,356 pounds (22,582). Imports of other manufactured sweets amounted to 2,701,000 pounds (2,185,000), the largest in the last four years. The United Kingdom was the chief source of supply with 2,091,000 pounds (1,660,000), followed by the United States with 188,000 pounds (164,000). Imports from Canada declined to 26,356 pounds (37,349).

#### WOMEN'S OUTER GARMENTS

Imports under this heading have shown steady increases during the last four years, in which Canada has shared materially. The United Kingdom is the chief source of supply with imports valued at £1,099,000 (£1,036,000), followed by the United States with £249,584 (£196,963) and Germany with £122,867 (£132,615). Japan and Austria both supplied substantial quantities, and imports from Canada of £10,841 represent a large increase over 1932, when imports were valued at £883, and is attributed in no small measure to success in the sale of ladies' frocks.

#### TREK CHAINS

Total imports of trek chains or chains for hauling were valued at £31,634 (£32,330). The United Kingdom was the chief source of supply with exports valued at £10,741 (£9,092), followed by Canada with £7,894 (£8,410) and Germany with £5,470 (£6,058). Substantial imports were received from the United States and Czechoslovakia. In view of the fact that there is now in operation a branch factory of a Canadian plant manufacturing trek chains, imports were well maintained.

#### INKS AND INK POWDERS

Total imports under this heading amounted to 991,000 pounds (1,218,000) valued at £53,400 (£47,354). The United Kingdom was the chief source of supply with 547,957 pounds (899,445 pounds), followed by Canada with 220,655 pounds (174,000) valued at £3,498 (£2,640). Germany and the United States were other large suppliers. A branch factory of a well-known Canadian ink manufacturer has been established in Cape Town, which should ultimately result in increased imports of powders, with, however, a corresponding decrease in those of ready-mixed inks.

#### PREFERENTIAL TARIFF REBATES

With the conclusion of the third year of the working of the Ottawa Agreements, the total value of the preferential duty rebates granted by South Africa continued to increase. This is only natural in view of the increased imports. The United Kingdom, for the third successive year, showed a 100 per cent increase in the amount of duty rebates obtained, the value of which amounted to £1,365,026 (£615,007). Imports from Canada received preferential rebates in 1935 amounting to £91,952 (£119,244). The decrease in the value of these rebates on Canadian products is attributed largely to the decline in shipments of motor car tires, which was the chief item during 1934, with customs rebates amounting to £46,014. This compares with rebates amounting to £21,556 obtained during 1935 on this product. The chief product to benefit during 1935 was preserved fish, on which the duty rebates amounted to £27,269. Hosiery and lumber were other commodities, as in 1934, that benefited substantially. New Zealand's products received preferential rebates amounting to £320 (£227),

and the Irish Free State £145 (£300). The largest rebates were in cotton piece-goods and machinery from the United Kingdom, which accounted for approximately two-thirds of the entire value of rebates granted during the year.

### TREND OF TRADE

The trend of trade in South Africa is towards the building up of secondary industries. At the same time the special Tariff Commission which investigated, during 1935, the entire tariff structure and its effect on local industries, has sounded a note of warning. The report of the Tariff Commission points out that a number of industries have sprung up behind what was originally a revenue tariff, and it is now difficult to reduce such duties as they are considered protective duties. The commission also issued a warning that there was a limit to which protection should be granted to domestic industries, and were obviously in favour of encouraging only such industries as had reasonable opportunities of success.

Many new factories, however, were established in 1935, and the tendency, not perhaps so pronounced, is towards domestic manufacture.

The Tariff Commission, after having thoroughly analyzed the situation, have selected a large number of items in the tariff schedule, the duties on which are considered to be for revenue only.

Canada of recent years has been building up a steady trade in canned goods, particularly canned vegetables. Local manufacturers, however, have made considerable progress in the canning of vegetables and a high protective duty has been imposed on imports. This has closed the market in one line, and is likely to reduce sales by at least one-half in two other products during the present year.

It is to lumber and lumber products that the Dominion must look to maintain her share of the import trade of South Africa. Imports of lumber last year, while greater, did not show the increase that was anticipated. Nevertheless, there was an advance, and it is confidently anticipated that during 1936 imports of lumber from Canada will show an increase of at least 50 per cent.

## DISTRIBUTION OF CONSUMERS' PURCHASING POWER IN THE UNION OF SOUTH AFRICA

G. B. SMITH, ASSISTANT TRADE COMMISSIONER

Johannesburg, June 3, 1936.—A publication recently issued by the Department of Commerce and Industries entitled *Industrial Development in South Africa* contains an analysis of the distribution and concentration of consumers' purchasing power in the Union which should be of assistance to Canadian exporters of consumers' goods in planning their sales efforts in this market.

A summary of this analysis is given below. In considering the figures quoted, two general qualifications should be borne in mind. In the first place, it is not intended that they should be regarded as giving more than an approximate indication of the distribution of purchasing power; and in the second place, they are based on statistics for the year 1931 when South Africa was in the depths of the depression. Since that time there has been a great increase in economic activity, but as this increase has been principally due to greater activity in the gold mining industry, its results have not been felt with equal force in all parts of the Union. Johannesburg, in and around which the gold industry is situated, has naturally benefited more than other centres.

### EUROPEAN AND THE NON-EUROPEAN MARKETS

It will be noted that the analysis is twofold: (1) an analysis of European purchasing power, and (2) an analysis of non-European purchasing power.

This is a logical division and one which Canadian exporters to this market would do well to bear in mind, because the Union is in reality two quite distinct markets. The first consists of somewhat less than 2,000,000 Europeans with a standard of living comparable to that enjoyed by the average Canadian. This section of the South African market therefore purchases goods of much the same quality and type as Canadian industry produces for its home market. The second market consists of between 6,000,000 and 7,000,000 non-Europeans whose standard of living is, on the average, extremely low. Many articles which the European has come to regard as necessities of a normal mode of life are to them luxuries hardly to be thought of. Those articles which they use in imitation of the Europeans are almost invariably of the cheapest quality obtainable. Many are still practically untouched by the European mode of life, content with enough maize to sustain life, a blanket for warmth, and a thatched hut for cover. It follows therefore that for a large percentage of Canadian exporters, the South African market for practical purposes consists of about 2,000,000 whites.

### PRINCIPAL CENTRES OF PURCHASING POWER

For the purposes of this analysis, the comparatively few centres of population and wealth in the Union are compared one with another, and with the remaining large areas of sparse population and low purchasing power as follows:—

Area	Approximate Size Sq. Miles	Average Distance in Miles from
1 The Reef, Pretoria and areas falling within a radius of 55 miles from Johannesburg..	10,000	Lourenco Marques, 377; Durban, 486; Port Elizabeth, 713; Cape Town, 958.
2 Cape Town and the surrounding populous areas of the Western Province of the Cape Province . . . . .	10,000	Johannesburg, 960; Port Elizabeth, 675; Durban (by sea), 850.
3 Durban, Maritzburg and areas falling within a radius of 28 miles . . . . .	2,500	Johannesburg, 470; Cape Town (sea), 800; Port Elizabeth (sea), 270.
4 Port Elizabeth, East London and areas within circle sector . . . . .	5,000	Johannesburg, 700; Cape Town, 750; Durban (sea), 350.
5 Bloemfontein and district. . . . .	2,000	Johannesburg, 200; Cape Town, 750; Durban, 505; East London, 404.
6 The rest of the Cape Province (not included in 2 and 4 above) . . . . .	262,000	
7 The rest of the Transvaal (not included in 1 above) . . . . .	100,000	
8 The rest of the Orange Free State (not included in 5 above) . . . . .	48,000	
9 The rest of Natal (not included in 3 above) . . . . .	33,000	

### EUROPEAN POPULATION AND INCOME STATISTICS

The following table gives the European population and income statistics of the various parts of the Union as defined above:—

	Population	Population Density	Total Money Income or Buying Power per Annum (£1000,000)	Concentration of Buying Power Per European per Annum, £	Per Sq. Mile per Annum, £
	(000)	Sq. Mile			
1 Reef, Pretoria, etc. . . . .	425	42.5	70.0	165	7,000
2 Cape Town and District . . . . .	275	27.5	32.5	128	3,250
3 Durban, etc. . . . .	110	44.0	22.0	200	8,800
4 Port Elizabeth, etc. . . . .	135	27.0	13.5	100	2,700
5 Bloemfontein . . . . .	32	16.0	4.0	125	2,000
6 Rest of Cape . . . . .	340	1.3	14.5	43	55
7 Rest of Transvaal . . . . .	271	2.7	10.0	37	100
8 Rest of Orange Free State . . . . .	173	3.6	5.5	33	115
9 Rest of Natal . . . . .	68	2.1	6.0	88	182

A few words of explanation may be required in connection with the above table, with particular reference to the tremendous difference between the average income per head in the urban areas as compared with the country areas. (1) The figures are based on the taxable incomes for the several areas as assessed by the Department of Internal Revenue, and it is generally accepted that the farming community has various means of escaping income tax liability not open to the townsman. (2) The figures represent money income only, and a much larger proportion of the total income is in kind in country than in urban areas. In addition to the above, it may be pointed out that a large proportion of the young women in towns earn their own keep until married; that the towns attract the young single men from the country districts; and that families are smaller in the cities than in the country. The percentage of the respective populations actually earning money is therefore much higher in the urban areas than in the country.

#### MONEY INCOMES PER EUROPEAN GAINFULLY EMPLOYED

A rough estimate of the money incomes per European gainfully employed or in independent circumstances in the above-mentioned areas is as follows:—

	Per Annum		Per Annum
Reef and Pretoria . . . . .	£350	Rest of Cape Province . . . . .	£125
Cape Town and surroundings . .	275	Rest of Transvaal . . . . .	120
Durban and surroundings . . . .	380	Rest of Orange Free State . . .	110
Port Elizabeth and surroundings .	220	Rest of Natal . . . . .	220
Bloemfontein and surroundings .	250		

#### NON-EUROPEAN POPULATION AND INCOME STATISTICS

The following table gives the non-European population and income statistics of the various areas:—

Area	Population (000)	Population Density per Sq. Mile	Money Income per Annum (£1000.000)	Concentration of Income per Annum	
				Per Head £	Per Sq. Mile £
1 Reef and Pretoria . . . . .	405	40.5	14.0	35.0	1,400
2 Cape Town and district . . . .	175	17.5	5.5	30.0	550
3 Durban, etc. . . . .	135	54.0	4.0	30.0	1,600
4 Port Elizabeth, etc. . . . .	75	15.0	2.0	25.0	400
5 Bloemfontein, etc. . . . .	25	12.5	1.0	30.0	500
6 Rest of Cape . . . . .	2,136	8.2	6.0	2.85	23
7 Rest of Transvaal . . . . .	1,455	14.5	3.5	2.45	35
8 Rest of Orange Free State . .	520	10.9	1.5	1.95	31
9 Rest of Natal . . . . .	1,382	42.0	2.25	2.90	68

As in the case of Europeans, money income alone has been considered in this table, which results in the average income per head in the country districts appearing to be much lower than it is in reality. Some explanation is also necessary in connection with the high average income on the Reef. Non-European labour in this area is predominantly native and is actually much lower paid than the coloured and Indian labour which predominates in the cities of the Cape and Natal respectively. But the native population of the Reef consists very largely of working males whose women and children have been left behind on reserves and farms, whereas in the case of the coloureds and Indians in the Cape and Natal, the families live with the working male. As a result of the separation of the wage-earner on the Reef from his family, a large part of his earnings is not spent there, but is remitted to the country district from which he originally came.



The excellent crop of Canadian flue-cured in 1935, which is just now reaching the British market, has everywhere been favourably commented on. This should encourage Canadian producers to continue in their efforts to improve quality and to regulate production.

The Rhodesian crop has this season been sold for the first time by the auction method. In some sections the results appear to have been satisfactory. Certainly prices have returned a slightly better average than was the case last year. Even at that it is reported so far that the average price has been only little in excess of 18 cents dryweight per pound. The marketing is slow, however, compared with the rapidity with which the Canadian crop is usually moved.

A table of imports and clearances from bond of tobaccos by leading countries during the January-April periods of 1935 and 1936 is appended.

*Imports and Clearances of Leaf and Stripts Tobacco, January-April, 1936 and 1935*

	Imports		Clearances		Stocks April 30, 1936
	1936	1935	1936	1935	
	Figures in Pounds				
South Africa . . . . .	51,012	33,814	42,595	48,168	505,857
Northern Rhodesia . . . .	74,633	67,562	189,985	272,533}	24,932,919
Southern Rhodesia . . . .	388,921	1,587,707	3,579,571	2,992,382}	
Nyasaland . . . . .	103,358	102,173	4,139,705	3,818,517	25,767,410
India . . . . .	1,916,517	1,265,720	3,543,907	3,120,461	23,708,092
Borneo . . . . .	68,936	.....	137,186	138,561	260,701
Canada . . . . .	6,204,168	5,358,014	2,931,375	2,632,680	18,339,378
Total Empire . . . .	9,029,853	8,814,143	14,703,116	13,141,199	.....
Total all countries . .	78,279,407	56,464,298	55,354,313	50,293,602	459,963,000

TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour: Mr. V. E. Duclos, Hongkong (whose territory includes South China, the Philippines, and Indo-China); Mr. L. M. Cosgrave, Melbourne, Australia; and Mr. M. B. Palmer, Mexico City (whose territory includes Guatemala, Honduras, and Salvador). Following are their itineraries as at present arranged:—

Mr. Cosgrave

Halifax . . . . .	July 20 and 21	Brantford . . . . .	Aug. 6
Montreal . . . . .	July 23 and 24	St. Catharines . . . . .	Aug. 7
Ottawa and district . . . .	July 27 to 29	Niagara Falls . . . . .	Aug. 8
Brockville, Morrisburg . . .	July 30	Kitchener . . . . .	Aug. 10 and 11
Oshawa . . . . .	July 31	Windsor . . . . .	Aug. 12 and 13
Hamilton . . . . .	Aug. 4 and 5	London . . . . .	Aug. 14 and 15

Mr. Palmer

Walkerville . . . . .	July 20	Winnipeg . . . . .	July 23 and 24
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Mr. Duclos

Toronto . . . . .	July 20 to 31
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Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto and Winnipeg, with the office of the Canadian Manufacturers Association; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## FOURTH ALL-INDIA WHEAT FORECAST, 1935-36

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, June 12, 1936.—Reports received from all the important wheat-growing areas in India, covering more than 98 per cent of the wheat acreage, show that the total area under crop as at May 31 was 33,500,000 acres as compared with 34,482,000 acres (revised) at the same time last year, a decrease of 3 per cent. The total yield is now estimated at 9,394,000 tons (350,709,333 bushels) as against revised figures of 9,861,000 tons (368,144,000 bushels) at this time last year, a decrease of 5 per cent.

Reports state the crop has suffered from insufficient rain and was also adversely affected in places by frost, hailstorms, strong winds, and rust, but its present condition is, on the whole, fairly good.

In the fiscal year ending March 31, 1936, India exported 9,600 tons (358,400 bushels) of wheat, principally to the United Kingdom. In the previous year exports were 11,000 tons or 410,666 bushels. On the other hand, imports during the last fiscal year amounted to 13,000 tons or 485,333 bushels as compared with 7,000 tons or 261,333 bushels in the previous year, all of which came from Australia.

## POSITION OF CANADIAN-SPANISH TRADE

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Barcelona, June 10, 1936.—For Canada, in common with the majority of countries, trade with Spain has arrived, owing to a number of factors, at a very difficult stage. The present situation is chiefly owing to the lack of foreign exchange, which has in some cases resulted in complete stoppage of payment by the Spanish importers unless a clearing agreement has been instituted. In brief, goods shipped to Spain have not only to face a formidable barrier of customs charges, but even when landed in the country, payment may be so retarded by exchange control that, unless special payment arrangements are made, the exporter remains indefinitely without his money. Further, the unsettled political situation prevailing in the peninsula has been another factor restraining the exporter. Recently Spain has shown willingness to enter into a series of new commercial negotiations even with those countries with which she already had commercial agreements. New or supplementary agreements have been made with France, Germany, Italy, and Belgium, and last year new negotiations were entered into with the United Kingdom.

## ANGLO-SPANISH CLEARING AGREEMENT

Although last year's commercial negotiations between the United Kingdom and Spain have not as yet resulted in a supplementary Commercial Accord to the existing Anglo-Spanish Agreement, the immediate necessity of protecting the funds of the British exporter by a clearing agreement brought about the Anglo-Spanish Payments Agreement of January 13, 1936. The purpose of this agreement—the exchange being considerably in favour of Spain—will be to liquidate the delayed payments due from Spain to the United Kingdom. The complete liquidation of these delayed debts naturally, as in the case of all clearings, depends upon the trend of trade between the two countries.

The "exchange risk" in connection with a possible falling peseta has been covered in this agreement by the Spanish Exchange Control Office assuming the liability for any differences in exchange on the obligatory payment by the Spanish debtors of a premium of 1 per cent.

The importance of an Anglo-Spanish Payments Agreement was of the first order in view of the present position of Spanish trade and finance. Without it, in spite of the favourable position of Spain with regard to Anglo-Spanish trade exchanges, the payment for imports from the United Kingdom was not only dragging on for months, but the prospects for final liquidation, in view of the Spanish reluctance to ship gold, were not good.

The efforts of the Spanish Government to stem the tide of imports have not been successful, and the demand for foreign exchange necessitated by import payments has not been reduced. The volume of imports in 1935 was greater than that recorded in the two previous years. It totalled 5,047,804 tons against 4,891,795 tons in 1934 and 4,104,745 tons in 1933. But the figures of volume do not emphasize so much the need of foreign exchange as do those of value, which were as follows in gold pesetas: 1933, 833,633,209; 1934, 855,043,552; and 1935, 879,265,485. On the other hand, the value of Spanish exports shows a diminishing return in gold pesetas: 1933, 673,041,577; 1934, 612,534,127; and 1935, 588,223,268.

#### UNFAVOURABLE TRADE BALANCES

One of the main causes of the acute shortage of foreign exchange is unfavourable trade balances. Out of ninety-three nations trading with Spain, there is an unfavourable trade balance with sixty-seven. Thus only twenty-six nations buy more from Spain than they sell to that country. The principal countries in the latter group are the United Kingdom, France, Argentina, and Portugal. On the other hand, the chief example of the countries that sell more to Spain than they buy is the United States. For many years Spain has been exporting to the United States about one-third to one-half of the value of her imports from that country. The figures for 1935 showed a value of 147,637,747 gold pesetas bought from the United States compared with 55,952,410 sold to that country. As the global total deficit in Spain's foreign trade is 291,000,000 gold pesetas, it will be very difficult for countries, with a preponderating disadvantageous balance of trade with Spain, to arrive at clearing agreements, to obtain payments for their exports. Practically, except for cotton, the United States has not been paid on any large scale for shipments of goods since March, 1935. Indeed since the end of December the Centro has not received demands for American exchange, except in the special case of raw materials, such as cotton, which is required to keep mills running in Catalonia and to prevent the discharge of labour. With but few exceptions no goods exported from Canada have been paid for by the Spanish Exchange Control since April, 1935.

#### FOREIGN EXCHANGE SITUATION

The control of all foreign exchange transactions by the Centro Oficial de Contratación de Moneda has gradually tightened during the past year. About twelve months ago remittances to United Kingdom creditors were approximately two months in arrears, and those due to Canada and other countries were nearly five months behind. These delays were gradually increased during successive months until now ordinary commercial credits in the latter category have been pending since April 1, 1935. About October 1 the Centro Oficial de Contratación de Moneda decided not to authorize the banks to open further acceptance credits except those covering the importation of raw cotton. This decision constituted a serious blow to suppliers of the Spanish market, but was hardly unexpected in view of the marked tendency of importers of all lines to arrange to cover their commitments in this way.

It is impossible to give even an approximate estimate of the total arrears of commercial debts due to foreign creditors. In some quarters the amount has been placed at 1,800 million pesetas, but one must take into consideration that this figure probably includes a substantial amount represented by applications

for funds in payment of imports which have already been paid for with exchange purchased on the "black bourse." Since the stoppage of acceptance credits, to which reference has been made above, became effective, suppliers have hesitated to fill orders unless accompanied by cash or reasonable assurance of payment within a short time. This attitude is now becoming quite general.

The immediate outlook does not inspire confidence, although there is sufficient gold in the vaults of the Bank of Spain to completely liquidate all outstanding arrears without seriously impairing the gold backing of the peseta.

#### CANADIAN FROZEN FUNDS

While the Canadian importer has been regularly paying for his imports of Spanish goods and the funds have been remitted to Spain, the Canadian exporter has not received funds from Spain for the goods that have been shipped there, and there is now a substantial accumulation of arrears due to Canadian exporters.

The Spanish authorities at the end of March, 1936, estimated that the Canadian funds thus frozen in Spain amounted to 12 million French francs. Their continued accumulation would make the problem of their liquidation the more difficult to deal with.

#### CODFISH MARKET CONDITIONS IN SPAIN

J. C. DEPOCAS, ASSISTANT TRADE COMMISSIONER

Milan, June 16, 1936.—Imports of codfish into Spain in the four years 1932 to 1935 were as follows, in metric quintals: 1932, 568,411 (27,390,908 gold pesetas); 1933, 638,092 (29,562,246 pesetas); 1934, 583,344 (25,870,397 pesetas); and 1935, 509,987 (22,674,682 pesetas). These figures also include the imports of stockfish.

The following table shows how the trade is divided between the leading cod-producing countries, in terms of metric quintals and gold pesetas:—

	1932	Denmark	France	U.K.	Iceland	Norway	Nfdland.	Others
Metric quintals . . . . .	568,411	102,027	3,730	6,335	284,741	70,724	99,356	1,498
Per cent. . . . .		18	0.7	1.1	50.0	12.4	17.0	0.3
Gold pesetas . . . . .	27,390,908	5,016,104	116,513	341,200	12,522,139	3,028,609	6,291,002	75,341
Average price. . . . .		49.1	31.2	53.8	44.0	42.8	63.3	.....
1933								
Metric quintals . . . . .	638,092	100,010	4,004	6,796	283,360	67,166	103,840	2,594
Per cent. . . . .		17.6	0.7	1.2	49.0	11.8	18.3	0.4
Gold pesetas . . . . .	29,562,246	4,045,078	133,549	349,253	12,055,148	2,988,056	6,958,109	107,543
Average price. . . . .		40.4	33.3	51.0	42.5	44.5	67.0	.....
1934								
Metric quintals . . . . .	583,344	133,122	1,739	7,233	227,351	118,859	94,785	265
Per cent. . . . .		22.8	0.3	1.2	39.0	20.0	14.5	.....
Gold pesetas . . . . .	25,870,397	5,747,753	56,761	365,812	9,169,988	5,120,486	5,399,825	9,772
Average price. . . . .		43.1	32.6	50.5	40.3	43.0	57.0	.....
1935								
Metric quintals . . . . .	509,987	136,810	9,091	19,903	108,400	134,288	97,146	4,349
Per cent. . . . .		26.8	1.8	3.9	21.0	26.0	19.0	0.8
Gold pesetas . . . . .	22,674,682	6,212,416	322,301	859,709	4,443,422	5,569,126	5,087,196	180,512
Average price. . . . .		45.4	35.4	43.2	40.9	41.4	52.3	.....

Shipments from Canada are very small. The type of cure used for Canadian codfish is not suitable for most of the Spanish markets and would not command any great interest, even in the case of an acute shortage of supplies. On the other hand, if the cure could be altered so that a type similar to that of the Newfoundland shore codfish could be produced—that is, a codfish of yellow-golden colour, not very heavily salted nor extremely dry—a market might be found in such centres as Malaga, Carthagen, Alicante, Valencia, and other places supplied from these ports.

In other centres the demand is exclusively for a type of fish similar to that supplied by Norway, Iceland, and Faroe, with no possibilities at all for the Canadian or Newfoundland codfish even at a lower price.

As mentioned above, even a shortage of supplies would not result in a demand for Canadian codfish in the Spanish market. It is probable that there would be no advance in price, and that therefore importers and consumers would not be inclined to look for Canadian codfish or any other cure not suitable to the market, as large quantities of other foodstuffs are available in Spain as substitutes for codfish.

#### NATIONAL FISHING INDUSTRY

There is a certain movement in favour of a national fishing fleet, and considerable sums have been spent towards this end. The Spanish fishing fleet consists of 1,756 steam trawlers, 5,179 smaller vessels with oil engines, close to 20,000 sailing vessels, and 14,225 rowing boats—a grand total of 49,659 boats with a total weight of 195,000 tons valued at \$20,000,000. All these boats are not, by any means, engaged in the codfish industry, but large Spanish trawlers of 1,200 tons now visit the banks of Iceland, Greenland, and Newfoundland, and the success of their activities is indicated by the fact that previous to the development of this fleet Spain imported dried codfish to the value of \$11,000,000 annually, but now production of the national industry exceeds that total by 17 per cent.

#### CONDITIONS IN 1935

During 1935 all countries interested in the Spanish market for codfish were adversely affected, due to increasing difficulties in connection with exchange and delays experienced by Spanish importers in the issuance of their import licences under the quota system. Some licences were withheld altogether, and the total imports were reduced below the authorized figures of 63,758 metric tons and were under 60,000 tons.

The quotas originally allotted for 1935 were, in metric tons: Canada, 117; Denmark, 13,000; France, 9,571; Great Britain, 2,000; Iceland, 16,000; Newfoundland, 10,070; and Norway, 13,000.

Apart from the difficulties inherent in the nature of the Canadian codfish cure, the quota allotted to the Dominion was too small to arouse the interest of Spanish importers. The Spanish codfish market is not attractive to any country, except perhaps the United Kingdom, which can supply the right type of fish and has a payments agreement with Spain, facilitated by a trade balance in favour of that country.

### MARKET FOR ASBESTOS FIBRE IN THE NETHERLANDS

W. G. STARK, ASSISTANT TRADE COMMISSIONER

(One metric ton equals 2,205 pounds; one florin at current rate of exchange approximately \$0.68)

Rotterdam, June 25, 1936.—The market for asbestos fibre in Holland is a limited one, as there are no asbestos spinneries located in this country. The principal uses of asbestos fibre are in insulation work and by the asbestos-cement factories. A slight increase in demand during the next few years is possible.

#### IMPORTS

No asbestos is found in this country, and Holland is therefore entirely dependent on imports to satisfy domestic requirements. The Netherlands official statistics do not classify asbestos fibre separately, but list all arrivals of asbestos, with the exception of asbestos cement, sheets and roofing, under one general heading, "asbestos."

The table below records the total annual imports of asbestos in quantity and value, the arrivals credited to Canada and the percentage of the value of total trade enjoyed by the Dominion for the years 1930 to 1935 inclusive:—

Year	Total Imports		Imports from Canada		% of Total Value
	M. Tons	Florins	M. Tons	Florins	
1930.. . . . .	252	58,120	45	6,745	11.6
1931.. . . . .	271	62,333	23	2,510	4.0
1932.. . . . .	157	29,110	...	...	...
1933.. . . . .	556	70,891	212	16,538	23.3
1934.. . . . .	287	45,761	13	894	2.0
1935.. . . . .	426	47,586	79	4,941	10.4
Average for the period 1930-35 .. . . .	325	52,300	62	5,271	10.1

#### SOURCES OF IMPORTS

As will be noted from the foregoing, there has been considerable variation both in the total amounts imported and the share of the trade obtained by Canada. The amounts credited to the Dominion are only those shipments arriving direct or from a transit port where identification is made possible by a through bill of lading or by the invoice submitted by the importer.

Thus it is not possible to make a precise analysis of the division of the market by various competitors. A great portion of the Rhodesian supplies arrives via Portuguese East Africa or United Kingdom ports and is credited to those latter countries instead of to the original shippers. Supplies from Russia and Canada are more apt to come direct and be noted accordingly, though some amount of transhipped goods is not unlikely.

Figures are given below showing imports during the last three years and the sources of these arrivals, both for quantity and value, as reported in the official statistics:—

Country of Origin	<i>Imports</i>					
	1933		1934		1935	
	M. Tons	Florins	M. Tons	Florins	M. Tons	Florins
Total.. . . . .	556	70,891	287	45,761	426	47,586
Germany .. . . .	8	5,289	13	4,754	8	3,482
Belgium .. . . .	20	3,520	...	...	...	...
Great Britain .. . . .	88	14,525	62	14,317	38	11,029
Finland .. . . .	73	5,050	...	...	43	2,935
Russia .. . . .	121	20,823	61	11,628	...	...
Portuguese East Africa .. . . .	32	4,800	115	11,914	207	19,805
Canada .. . . .	212	16,538	13	894	79	4,941
Palestine, Cyprus .. . . .	...	...	...	...	33	3,600
South Africa .. . . .	...	...	...	...	14	1,048

#### MARKET REQUIREMENTS

The two chief uses of asbestos fibre in Holland are for insulation and in asbestos cement.

For insulation asbestos refuse or Amosite asbestos is chiefly employed. In asbestos-cement manufacturing, fibre of medium length is used.

There are no spinneries of asbestos cloth or yarn, and consequently fibre destined for such work is not in demand here.

Some small amounts of poorer grades of asbestos are also used in combination with other materials for jointless flooring construction.

#### DUTIES AND RESTRICTIONS

Raw asbestos and asbestos fibre entering the Netherlands in commercial quantities (i.e., for this item weighing more than 2.64 pounds) are free of import duty and turnover taxes. There are no restrictions in force limiting either the quantity which may be brought in or confining the trade to any particular dealer. No special or consular invoice is necessary. The importer, however, should be in possession of the ordinary commercial invoices either before or on arrival of the shipment as these must be presented to the customs authorities.

It was the opinion of an authority in the asbestos trade that the currency regulations which have been enacted by Germany and other nearby countries have not much affected Canadian asbestos fibre imports brought into this country.

#### EXPORTS

Exports of asbestos from Holland are not large. Shipments of asbestos offal and fibre, as is the case with imports, are grouped under one general heading. During the past six years exports of asbestos have been as follows: 1930, 231 metric tons (32,763 fl.); 1931, 5.2 (912 fl.); 1932, 5.8 (793 fl.); 1933, 4 (537 fl.); 1934, 5.5 (757 fl.); 1935, 50 metric tons (3,746 fl.). The destinations are principally Belgium, Germany, and Great Britain. Of the larger shipments in 1930 and 1935, practically the entire quantity in the former year went to Belgium; in the latter two-thirds were for Germany.

#### ASBESTOS PRODUCTS INDUSTRY IN HOLLAND

The only asbestos products of consequence manufactured in this country are insulating materials and asbestos cement. Yarns and woven asbestos products, clothing, etc., are imported, Great Britain being one of the principal suppliers of these lines.

Among the domestic producers, an Amsterdam concern affiliated with a well-known and important Belgian manufacturing company is one of the largest. This firm makes asbestos cement and insulating materials. Besides this producer there are two or three insulation manufacturing companies in Amsterdam and one in Rotterdam. These firms use only limited quantities of asbestos, however. In recent years two or three new asbestos-cement plants have been erected, but already the largest of these, the N. V. Ferrocal at Doesburg, has gone into bankruptcy. This company had contracted for fairly large quantities of raw materials. The other new factories which are in operation only require small supplies.

#### PROSPECTS

Projects for the erection of some new asbestos plants in the Netherlands are at present receiving consideration by industrialists. It is possible therefore that the market for asbestos fibre and offal may be somewhat enlarged in the next few years. There are, however, two interdependent factors to be reckoned with: first, the keenness of foreign competition; and second, the high cost of labour in this country. The high wages here naturally assist the foreign competitor to keep his goods on the Netherlands market, and the imports of manufactured asbestos of all kinds are far greater than the amount of domestically produced supplies. Unless some unforeseen contingency arises, therefore, no large increase in imports of asbestos offal, crudes, and fibres into the Netherlands appears very likely.

A trade inquiry for asbestos products is published on page 139 of the present issue of the *Commercial Intelligence Journal*.

### EXCHANGE CONDITIONS IN BOLIVIA AND CHILE

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

#### Bolivia

Lima, June 16, 1936.—A rigid system of exchange control operates in Bolivia. By virtue of decree issued March 31, 1936, and effective April 1, 1936, the boliviano, the unit of Bolivian currency, was linked to the pound sterling at the rate of 50 bolivianos to the pound. The former official rate of exchange was 20.

Control of the issuance of exchange is through a board, known as the Exchange Control Commission. All export is under licence, and it is required

that a proportion of all foreign currency proceeds of exports be turned over to the Banco Central de Bolivia, where exchange operations are concentrated. The free transaction of drafts and other foreign movable values is authorized, with the exception of those that must be concentrated at the Banco Central de Bolivia, and with the previous authority from the Exchange Control Board and the registry therein of discounts.

All drafts purchased by the Banco Central de Bolivia for account of the state are placed at the disposal of the Ministry of Finance, which assigns a sum adequate to meet fiscal needs and the balance to the Exchange Control Board for the purpose of attending to the essential requirements of trade, industry, and the public. State requirements include national, municipal, departmental, and educational budgets. All drafts granted for the purpose of importation will be extended directly by the Banco Central de Bolivia to the order of the original supplier of such products, in their respective currencies, the delivery of drafts of such nature to the order of interested parties being strictly prohibited. All drafts granted by the Exchange Control Board must be used for the exclusive purpose which originated the concession of such drafts and in no event will the Exchange Control Board grant exchange for the importation of articles of luxury.

### Chile

A system of exchange control operates in Chile, and such control is exercised through the medium of the "Commission of International Exchanges." Exporters are required to turn over a certain proportion of the foreign currency obtained from their exports and the balance, known as "export" or "barter" exchange, can be used in payment of *approved* imports or sold to third parties for that purpose. Under a ruling issued by decree dated May 15, 1936, it was announced that exchange would not be granted for payment of imports of automobiles, radios, and other luxury goods. Silk hosiery has since been added. The Commission for International Exchanges always gives preference in granting of permits when such exchange is for the payment of raw materials for Chilean industry, goods of prime necessity, drugs and medicines. Importers must obtain permission from the commission to purchase foreign exchange.

In the case of countries with which Chile has not concluded compensation agreements, as is the case with Canada, permits for the purchase of exchange in payment for imports will be accorded only after the arrival of the goods in Chile. Imports from all parts of the British Empire are subject to this regulation. Then too, in the case of imports from countries whose purchases of Chilean goods have been such as to restrict or lessen the amount of exchange available, such imports are subject to import licence, the issue of which is, in a large measure, dependent upon the amount of Chilean products taken in exchange. With the object of curtailing illicit exchange operations, the customs authorities have been instructed not to clear imports unless the documents presented carry the endorsement either of the Exchange Control Commission or that of a commercial bank testifying to the origin of the foreign exchange used in payment or showing that the commission has authorized a barter transaction.

Regarding those countries with which Chile has compensation agreements or treaties, it may be noted that on March 28, 1936, a decree was issued stating that, until further notice, from funds available in foreign money, intended for the import of merchandise into Chile and retained in virtue of treaties or compensation agreements, in which it is established that the Chilean Government shall fix the type of exchange, payment will be made in Chilean currency at the rate of 135 per cent of the official rate of exchange fixed by the Central Bank of Chile, on the date of payment.

## MARKET FOR BARLEY MALT IN CUBA

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

Havana, June 26, 1936.—There are only three breweries in Cuba, and their production of beer is able to meet the demand. During the calendar year 1935 the brewing industry bought 50 per cent of its malt from Europe, 35 per cent from Chile, 8 per cent from Canada, and the remainder from other countries, principally the United States. The salient factors which affect this trade include the difference in the brewing system obtaining in Europe from that in North America (the brewmasters are German); the employment of two-row barley in the former and six-row in the latter; the use of corn grits in the North American system to increase the starch content of six-row barley malt which, being contrary to German practice, does not find ready acceptance in Cuba; the methods of packing; and last, but very important, price.

The following survey endeavours to appraise the significance which attaches to the fact that the opinions of the three brewmasters do not concur as to the merits of the different malts imported. One brewery buys only European malt; a second imports half European and half Chilean; while the third favours North American and Chilean.

### IMPORTS

The consumption of beer by Cuba's 4,000,000 inhabitants has doubled during the last three years, forming a most suggestive parallel to the improved economic position of the republic. Neither barley nor malt is produced in Cuba. Imports of light-coloured beer have almost ceased, but a small quantity of ale is brought from abroad, principally from the United Kingdom. The total production of beer therefore is more or less accurately indicated by the quantity of malt imported; this has increased from 3,977 metric tons valued at \$201,883 for the calendar year 1933 to 7,645 metric tons valued at \$611,698 for 1935. Of the 8,542 tons valued at \$591,301 imported in 1929, the United States supplied 94 per cent, Germany  $4\frac{1}{2}$  per cent, and Chile  $1\frac{1}{2}$  per cent. During succeeding years sources of supply have altered widely. Immediately following 1929, depression invaded the Cuban brewing industry. Keen competition developed, brewmasters were changed, and a trend from six-barley to two-barley malt followed. Imports of Chilean and European barley malt (the latter principally from Czechoslovakia) have grown apace in recent years, accounting for 90 per cent of the total. It will be of interest to compare the following Cuban official statistics:—

### *Imports of Malt into Cuba*

Country of Origin	1933		1934		1935	
	M. Tons	\$	M. Tons	\$	M. Tons	\$
United States . . . . .	967	59,495	1,585	103,889	345	21,898
Canada . . . . .	984	47,888	650	44,470	541	49,931
Chile . . . . .	1,064	48,372	472	23,505	3,143	214,419
Germany . . . . .	580	30,198	597	40,310	706	60,826
Czechoslovakia . . . . .	382	15,930	1,133	83,788	2,466	231,354
Belgium . . . . .	.....	.....	16	1,422	.....	.....
Denmark . . . . .	.....	.....	119	7,788	126	8,675
Austria . . . . .	.....	.....	.....	.....	242	18,428
Other countries . . . . .	.....	.....	.....	.....	76	6,167
Totals . . . . .	3,977	201,883	4,572	305,172	7,645	611,698

### CHARACTERISTICS OF BARLEY AND MALT

European and Chilean malts are made from large double-row barley which, according to the opinion of local brewers, has a smaller quantity of husk than the six-row grain. The six-row barley is smaller and has a thick, coarse covering. Chilean double-row barley is larger than the European, but the husk is not so fine. The quantity and quality of husk in barley are among several features which determine a brewmaster's choice. Each of the three Cuban

brewmasters has his own peculiar way of brewing; each has his own ideas relevant to the particular barley malt which will meet his requirements towards maintaining uniform the standard of quality, flavour, and colour which he has chosen for the beer which carries the brand of his brewery. All three prefer a low-protein, high-starch malt. Six-row barley has a higher protein and lower starch content than two-row. This deficiency in starch can be and is regulated by adding refined corn starch "grits."

This practice is prohibited by law in Germany, which perhaps explains the marked predilection for two-row barley malt common among German brewmasters, who are loath to deviate from their early training. One of these brewmasters prefers to use a good proportion of Canadian six-row barley malt, but he does not employ the German method of brewing, and he uses corn grits to make up the starch deficiency. The higher the starch content, the greater the quantity of extract obtained. He stated the average extract content of different malts to be: European (chiefly Czechoslovakian), 77 per cent to 80 per cent; Chilean, 76 to 79; and that of Canadian and United States origin, 73 to 75 per cent.

Cuban brewmasters, being German, are more familiar with European malts than with those from North America; consequently, Chilean malt enjoys favour by virtue of its similarity to European. The attractive price of Chilean malt also has an important influence; its quality, however, varies more widely than the European from crop to crop. When it is very good, the margin in price makes it a profitable purchase. On such occasions larger quantities are imported for current use than ordinarily, while the well-packed European malt is held over in stock. The largest purchases of malt from these two sources are usually made after harvest and are governed by market conditions based on quality, crop yield, and price. Chilean barley is harvested in March and Czechoslovakian in October.

Cuba increased her purchases of Chilean malt last year because there had been a good crop of barley of excellent quality and prices were inviting. Contracts were made on conditions which stipulated frequent shipments, thereby obviating the necessity for prolonged storage. There may be a decrease in purchases from Europe during 1936 by one of the breweries, due in some measure to the heavy stocks held over from 1935 to make way for the extra quantity bought from Chile. It is estimated that not less than 6,000 metric tons of malt will be imported during 1936, of which some 3,000 tons should come from Chile if quality and price continue to be as attractive as they were in 1935.

Pilsener, Vienna, and Münchener types of beer are produced in Cuba. Pilsener beers, which have the largest sale, are of a light straw colour with a pronounced hop or bitter taste. Vienna beers are also light coloured but less bitter. Münchener beers, which are dark, malty and sweet tasting, are in demand but less popular than the other types. A characteristic of the industry in Cuba to which attention should be directed is that the German system of brewing, or the so-called "decoction" method of mashing, is used, whereas the infusion method is mostly employed in North America and the United Kingdom. In the case of the former, one or more mashes are subjected to a boiling process which will extract from malts with coarse husks too many undesirable ingredients, giving the final product a harsh flavour and darker than light amber hue. One of the three breweries uses the infusion system and imports only North American six-row and Chilean two-row malts. The other two breweries use the decoction or German method, one of them employing only European malt, while the other divides its business between Europe and Chile.

#### PACKING

European malt is practically free from foreign matter, and as it is shipped in zinc-lined cases, it is protected from dust and moisture throughout the voyage

and the more or less prolonged period of storage in the Cuban brewery. The hermetically sealed, metal-protected malt contains from 4 to 5 per cent moisture, probably the same as Western Hemisphere malts have when they begin their journey to Cuba. But the latter, covered only with jute sacking, on arrival in the tropics take up an additional 4 to 5 per cent of moisture from the super-saturated atmosphere, and unless immediately used become stale and listless. When shipped in bags, as is the case with all malts other than European, they are exposed to attack from rodents. Chilean malt takes less time en route to Cuba than shipments from Europe, and therefore bags can be employed providing the malt is to be used up shortly after arrival. Brewers' emergency stocks, which are kept up to a certain quantity, are of the zinc-lined, wooden-cased type from Europe.

One of the three breweries employs only Czechoslovakian malt, which comes in specially constructed boxes containing 120 kilograms net. When cut in half the box will make two open beer-bottle cases, each half having a capacity of ten dozen pints. The open-top cases, filled with bottles, are delivered about the city by automobile trucks. The inside dimensions of these malt cases are: height 72 cm., length 69 cm., width 41 cm. Cross-pieces on the malt box are purposely placed so that when the box is cut in two they rim the top of the improvised beer-bottle case. These beer-bottle cases are worth \$1 each to the brewery and, costing nothing by this method, an allowance of \$2 is made when calculating the cost of a case of malt which weighs 120 kilograms net. The zinc lining (2.5 kilograms) is melted down and sold. Shipments of Czechoslovakian malt to the other brewery on the island are in cases of 150 kilograms net. Bags from the United States and Canada weigh from 48 to 50 kilograms gross, and from Chile, 66 to 68 kilograms gross.

#### CANADIAN BARLEY MALT

According to the returns of the Dominion Bureau of Statistics, exports of malt to Cuba totalled 58,767 bushels (\$49,976) for the twelve months ended March 31, 1934, 43,383 bushels (\$54,548) for the year ended March 31, 1935, and 39,202 bushels (\$58,578) in 1936 fiscal year.

Several Canadian industries are dependent upon barley, each seeking the kind which from the standpoint of quality and cost best suits its purpose. Those high in protein or nitrogen content are in demand by the distiller for the production of commercial alcohol, beverages with a high alcoholic content, and malt extracts. Vinegars, beers, and ales contain less alcohol, and are made from best-grade barleys of lower protein content.

Canada produces three varieties of barley—six-row, two-row, and Trebi. Trebi and the lower grades of the other classes are used as animal feeds. Six-row constitutes the major production. Of the 1935 crop of 87.5 million bushels, which was an increase of 37 per cent above that of 1934, only about 5 million bushels were made use of by the malting industry.

#### PRICES AND DUTIES

Chilean malt prices are attractive; recent quotations averaged \$75 per ton as compared with \$118.92 (\$17.75 per 150 kilograms) for Czechoslovakian malt of slightly higher extract content. Canadian prices are somewhat higher than Chilean. Quotations are c.i.f. Havana.

Malt has been classified by the Technical Tariff Commission as an article of prime necessity in consequence of which the minimum tariff is applicable to imports from all countries except the United States until October 2, 1936. There is a tariff preference in favour of the United States. The rates are as follows, per 100 kilograms net: maximum, \$0.60; minimum, \$0.30; tariff for United States product, \$0.18. Cuban consular fees on merchandise shipped from Canada, the United Kingdom, and the United States are 2 per cent ad valorem, and for other countries 5 per cent.

## MATCH INDUSTRY IN CHINA

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

(One gold unit equals U.S.\$0.67; one millimetre equals 0.039 inch)

Shanghai, June 1, 1936.—The use of matches in China is said to date back to some sixty-five years ago, when European matches were first introduced to this country. About 1896 Japanese matches began coming into this market and shortly after the turn of the century several Chinese factories were established. During the world war the local match industry experienced a boom and a large number of factories came into existence.

Following the end of the war, imports, particularly from Japan and European sources (notably Sweden), were resumed on a larger scale than ever before to the detriment of producers in China, resulting in the closing down of many local concerns. However, following the imposition of a high tariff on imported matches in 1931, imports began to fall off and have now dwindled to negligible proportions. The extent of the handicap placed on imported matches will be appreciated when it is explained that the present duty on small-sized matches in boxes not over 51 mm. by 35 mm. by 16 mm. is 40 per cent ad valorem. What are described as large-sized matches, which are the ones chiefly in demand here, put up in boxes not over 64 mm. by 38 mm. by 19 mm., are dutiable at the rate of 0.24 gold unit per gross. Taking into account the average selling prices of matches in this market in recent months, this specific duty has been working out at an average of around 45 per cent ad valorem, but of course this percentage, worked out on an ad valorem basis, necessarily varies according to the rise and fall in the price of matches.

The declining trend in the importation of matches is illustrated by the following figures showing imports in units of 50 gross during the past ten years<sup>1</sup>: 1925, 60,615; 1926, 75,774; 1927, 122,622; 1928, 129,666; 1929, 168,799; 1930, 171,040; 1931, 50,522; 1932, 7,352; 1933, 1,460; 1934, 2,195; 1935, 3,565.

### EXTENT OF DOMESTIC INDUSTRY

There is no accurate record of the number of match factories in China; and there is still less data available to show which of the existing factories are actually operating. However, based on a survey recently compiled by a local association of match manufacturers, it is estimated that there are now approximately 110 match factories in this country; various recent reports estimate the number of Chinese-owned factories at present operating as between 60 and 80. A considerable number of these are closed down at the present time due to depressed conditions in the industry.

### LOCATION OF FACTORIES

The most important factories are pretty well concentrated in certain sections—that is to say, in the vicinity of the city of Canton in the province of Kwangtung in South China; the lower Yangtsze Valley district of Central China, comprising the provinces of Chekiang, Anhwei, and Kiangsu, in which latter province is located Shanghai; Shantung province in North China, in which the chief manufacturing centres are Tsingtao and Tsinanfu; and lastly, Hopei province, in which Tientsin and Peking are located.

The majority of these match factories are Chinese—that is to say, financed and operated by Chinese. Foreign enterprises consist of two factories in Tientsin owned and operated by Japanese interests, seven units in Shantung province

<sup>1</sup> The import figures given for 1933 and subsequent years are for China proper, exclusive of Manchuria, since the official Chinese Maritime Customs returns ceased to include Manchuria as from the end of 1932.

also under Japanese control, one or two factories near Canton run by Japanese, and two American factories located in Central China—one in Shanghai and the other in Chekiang province. The two last-mentioned are the only non-Japanese foreign match factories in China, and the one located at Shanghai is understood to be the only unit of its kind in China equipped with modern machinery.

Most of the Chinese factories located in the interior have small capacity and insufficient capital, with a tendency to work intermittently, sometimes remaining closed down for years at a time and then opening up again whenever the demand for matches, for various reasons, may show some temporary improvement.

### PRODUCTION

One authority in the trade estimates the average annual production in recent years in units of 50 gross (7,200 boxes) as follows:—

	Full Size Safeties	Half-size Safeties	Sesqui
South China .. . . .	165,000	15,000	.....
Central China.. . . .	230,000	50,000	.....
Szechwan .. . . .	5,000	.....	35,000
North China .. . . .	50,000	.....	300,000
	450,000	65,000	335,000

Total estimated production in China 850,000 units of 50 gross.

The matches produced are all of the same type—that is to say, made of square sticks obtained from veneer of various kinds of wood and packed in wooden boxes also made of veneer. In regard to sizes, the production is divided into full-size and half-size matches, the former being approximately 51 mm. in length and the latter 41 mm.

In regard to the type of head, the matches produced are divided into safeties and sesqui matches. The safety matches light only against the striking surface of the box, whereas the sesqui matches are the strike-anywhere type made with sesqui sulphide of phosphorus in the head instead of the white phosphorus formerly used for such matches. Only half-size sesqui matches are manufactured in China, and, due to climatic conditions, this type is not produced in South China and Central China.

The wooden sticks which form the principal part of the match are called splints by the trade, and the cut and ready box veneers not yet made up into match boxes are described as skillets.

### CONDITION OF THE INDUSTRY

Prior to the imposition of the higher duties in 1931, the match factories in China were not equipped to satisfy the full requirements of this market, but the protection afforded by these duties to the local industry has since led to an unhealthy over-expansion in production, with the result that in recent years the match industry as a whole has been working under very depressed conditions.

In an effort to overcome this problem, an agreement was entered into in July, 1935, between the various factories in Central China to limit production to the estimated requirements of the market, and just recently a further movement has developed to organize joint sales for all factories excepting those located in South China. It is hoped that this scheme will result in somewhat reducing the output of matches, which is still larger than justified by current demand, but it is too early to say how successfully this arrangement will work out.

### CONSUMPTION OF WOOD BY THE MATCH INDUSTRY

Using the estimate of match production already mentioned—which, as stated, must necessarily be taken as an approximate figure only—it is estimated

that the annual consumption of wood by match factories in China for the production of splints is around 3,310,000 cubic feet. On a similar basis, the estimated requirements for skillets is in the neighbourhood of 2,150,000 cubic feet.

Comparatively few match factories manufacture their own splints and skillets. These materials are as a rule purchased from splint and skillet factories established in the match-manufacturing centres, particularly in the coast towns, or else are imported from Japan. There is a tendency, however, to increase the production of splints and skillets in China and to reduce imports from Japan. Some of the larger individual factories or companies operating several different units make their own splints and skillets, and several of the splint factories are understood to be financially controlled by match manufacturers, even although they are not directly operated by them, but there is no reliable data available in this connection.

Owing to the lack of statistical information, it is impossible to give even approximately correct figures in regard to the proportion of matchwood consumed that is imported into China. However, it is conservatively estimated that not less than 60 per cent of the matchwood required for splints is imported, either in the form of ready-made splints or as logs. One authority considers that it would be probably safe to assume that approximately two-thirds of the matchwood for splints is imported in the form of logs, which would mean that imported logs account for around 40 per cent of the total requirements of splint wood.

The proportion of imported wood for skillets is very much smaller, probably not more than 25 per cent of the total requirements, and it is estimated that not more than 10 per cent of the wood used for skillets is imported in the form of logs. As already stated, there is a tendency to reduce the imports of ready-made skillets and splints which come from Japan. The imports of these articles are understood to be proportionately greater in South China and Northern China than in the Central China district dominated by Shanghai.

#### VARIETIES OF MATCHWOODS USED

Aspen, cottonwood, pine, and limewood are the chief imported woods employed in the Chinese match industry. Unfortunately for the purpose of comparison, imports of aspen, cottonwood, and limewood are included under the general heading of "hardwood" in the Chinese Maritime Customs returns, and it is therefore impossible to give any accurate guide as to the quantities of these woods imported for the match trade. Similarly, pine is included under imports of "softwood."

#### WOODS FOR SPLINTS

##### ASPENWOOD

Aspen is considered to be the best splint wood for this market because of the straight grain, relative firmness, the comparatively small number of knots, and the large proportion of white wood obtained from stands which have not been infected. It is understood that "Populus" varieties of aspen are peculiarly susceptible to infections which cause heart-rot and discolouring of the inner parts, and such infections have apparently affected large stands of aspen in various countries where this wood grows, including Manchuria and Canada.

As a rule, it can be said that the colder the climate in which aspen is grown the better it is for match-manufacturing purposes. This rule incidentally also applies to cottonwood, which is referred to later in this report.

At one of the largest match factories in Shanghai the splints obtained from various woods are graded into three classes, the first being pure white, the second somewhat discoloured or white and discoloured splints mixed, and the third all discoloured splints.

This firm reports that from Canadian aspen they obtain on the average 60 per cent first-class splints, 25 per cent second-class, and 15 per cent third-class. From Manchurian aspenwood the same company calculate on the average 40 per cent first-class, 40 per cent second-class, and 20 per cent third-class.

Aspen for splint-making purposes is at present imported into this market from Canada, the United States, Manchuria, and North Korea. Formerly Siberia was one of the most important sources of supply for aspenwood, but during the last three to four years no supplies have been coming forward from that source and it is understood that no offers are being made at present. The quality of the wood imported from Siberia in former years was not very high and the grading was considered unsatisfactory; furthermore, it is understood that deliveries were seldom made according to specifications.

Some years ago a shipment of aspen was made to this market from Europe. The supply in question was made possible by special freight rates which have since become unobtainable, and as a result at the present time European producers are not in a position to compete with Manchurian, Japanese, or North American supplies.

Canadian aspenwood, although higher in price than Manchurian, is, in the opinion of one of the largest manufacturers here, considered to be of better quality than either Manchurian or Siberian aspen, and there would appear to be a definite future for this Canadian wood in the Chinese market provided supplies are obtainable at anything like competitive prices.

Manchurian supplies of aspen for this market have been restricted during the past year or so, apparently because this wood has been required for domestic purposes. While no definite information is available, one explanation given for the shortage of Manchurian aspen is that the most desirable aspen stands available at present are situated in parts of Manchuria where military protection would be required against bandits and it apparently is not considered expedient to undertake this protection under present conditions. There seems to be no doubt, however, that there are large quantities of aspen in various sections of Manchuria, and it is understood that a new railroad line from Kirin to the two new Korean ports of Reishan and Yuki has opened up new tracts which will be available in the future.

The North Korean aspen comes in very small dimensions at comparatively high prices and is therefore not extensively used. It is, however, considered to be of excellent quality.

Chinese aspenwood, which is grown in various parts of the country, is also obtainable in small dimensions, but it is difficult to obtain regular supplies and it is therefore not an important factor in the trade. Native pine, also obtainable in small dimensions, provides a very inferior type of splint and, along with certain other native woods, is used to some extent by match factories in the interior provinces.

#### COTTONWOOD

The cottonwood used for splints is obtained from Canada, the United States, and North Korea. The cottonwood from Canada and the United States is understood to be of the variety *Populus Trichocarpa*. This wood is of much looser consistency than aspen and a much larger portion of the inner part is discoloured. One company in Shanghai regularly employing cottonwood for splints report that on the average they obtain from Canadian and American cottonwood 35 per cent first-class, 35 per cent second-class, and 30 per cent third-class splints. This particular firm bleaches their second-class cottonwood splints by smoking them in sulphur fumes, and it is understood that this process is also carried out to some extent by several other splint manufacturers in China.

The North Korean cottonwood is called "doronoki" in this market. While it is understood that it belongs to the *Populus* genus, it is not known locally

which particular variety it is identified with. It is, however, considered much inferior to Canadian cottonwood and does not lend itself to bleaching.

The firm already referred to obtains on an average from Korean cottonwood logs 20 per cent first-class splints and classifies the remaining 80 per cent as third-grade material.

In addition to aspen and cottonwood, fair quantities of Japanese limewood from the Hokkaido district are imported for making splints which are dyed red.

The reason for using large quantities of cottonwood (which is considerably cheaper than aspenwood from any source) in recent years has been the depressed state of the match industry, which has made it imperative to reduce costs. As a result, the major proportion of the matches manufactured in China during the last few years has consisted of inferior grades, which have been sold to a consuming population with a reduced purchasing power, whereas formerly there was a much larger demand for better-grade matches. If, however, the current efforts being made, as mentioned earlier in this report, toward a consolidation of the industry turn out successfully, it is hoped that a rise in prices will result. In that case there should be a larger demand for aspenwood, as previous experience shows that when prices of matches are rising there is a tendency to use better-quality woods such as aspen. On the other hand, during periods when the match market is depressed, many manufacturers resort to native pine, Manchurian and Japanese limewood, or North Korean cottonwood, for splints.

As far as cottonwood is concerned, while a certain amount of first-class splints can be obtained from this variety of wood, the general opinion in this market is that cottonwood is inferior to aspen owing to the fact that it is softer wood and subject to a larger percentage of waste in manufacturing, and also because the matches themselves are inclined to break more easily.

In the above connection, one of the largest users in this market points out, in respect to cottonwood, that when rot and deep discolouration is present, the log cannot be fully utilized, as discolouration beyond a certain limit renders the veneer unusable even for third-grade splints and the rot softens the logs, making it impossible to turn out any veneer at all.

Apparently the ideal log is white all through, but as such logs are difficult to obtain, buyers have to be content with some discolouration. It is stated, however, that this should not be deeper than a very light shade of brown. Theoretically no heart-rot is permissible, but in practice 3 inches of heart-rot in the centre is tolerated provided it is not surrounded by deep discolouration. Infection renders the centre of the log blackish or deep brown, and if extending beyond 2 inches in the centre makes the log unsuitable.

In considering the Chinese market for matchwood, it should be kept in mind that matches in this country are made of veneer produced by veneer-peeling lathes. This makes it essential that the logs have no cracks or checks. It is understood that match splints for the Canadian and United States market are produced by a different method, namely, by the use of a pressing or cutting machine which turns out round splints out of blocks of wood. For such machines it may be of minor importance whether the logs are cracked or not.

#### USE OF WHITE PINE

It is also of interest to mention that whereas it is understood that white pine is used to a large extent for making splints in Canada, this wood does not produce satisfactory splints of the dimensions used in the match industry in

China, and while it is possible that white pine might be used to make an inferior-grade match for this market, it is considered that it could not compete in price with the native pine.

One important consumer of matchwood logs in Shanghai has suggested that if regular monthly shipments in fairly small lots could be arranged instead of the larger irregular quantities as at present, it would obviate storage for long periods in this port, where the weather is so humid, and a considerable amount of the rotting and checking complained of might thus be overcome. Presumably, however, it would be difficult to put this suggestion into practice as, in order to effect such an arrangement, it would no doubt be necessary to accumulate logs at Vancouver for loading on regular cargo vessels, thus adding to the cost and probably rendering Canadian logs non-competitive with those from other sources of supply.

Meanwhile, in spite of the difficulties which consumers have had from time to time with cottonwood, it is generally conceded that the variety grown in northern countries is superior to the same wood produced in warmer climates, and Canadian cottonwood should benefit accordingly.

One of the complaints made against both Canadian and American shipments from time to time has been the lack of standardization of different grades. In this connection one important firm points out that from their experience the P.L.I.B. certificate is the most satisfactory, and it would seem to be in the interests of Canadian shippers to provide this certificate when it is practicable to do so in order to avoid, as much as possible, claims from buyers on this side.

For the information of interested Canadian firms specifications for all the different logs used in match manufacture by one important buyer in Shanghai are available at the Department of Trade and Commerce, Ottawa.

#### WOOD FOR SKILLETS

Native Chinese pine is the principal wood used in the manufacture of skillets. Apart from this material, Hokkaido (Japanese) limewood, Japanese pine, and Manchurian limewood are the chief imported woods used for this purpose.

The better-class skillets are made from Hokkaido limewood. Japanese pine is used principally by the Japanese match factories in this country, and also by Chinese manufacturers. The principal users of Manchurian limewood are the factories in Northern China.

It is understood that from time to time some Chinese skillet manufacturers have imported white pine from Canada or the United States, but generally speaking this wood is considered too expensive in comparison with native Chinese pine.

#### OPPORTUNITIES FOR CANADIAN EXPORTERS

In conclusion, the chief opportunities for Canadian exporters in supplying matchwood to China would seem to be in aspen and cottonwood logs for the manufacture of splints, and providing that Canadian exporters can meet the grading requirements of this market, the demand for these logs should be capable of further expansion, particularly if the current tendency toward higher prices for matches is sustained by an improvement in the condition of the industry through the efforts being made in that direction by the association of match manufacturers in China.

#### IMPORT DUTY

The import duty on aspen and cottonwood logs entering China is 10 per cent ad valorem, plus a surcharge of 10 per cent of the amount of the duty.

BONELESS BEEF IMPORTS INTO JAPAN<sup>1</sup>

R. S. O'MEARA, CANADIAN TRADE COMMISSIONER

(For purposes of comparison the average rate of the yen in 1933 was 28 cents;  
in 1934 and 1935, 29 cents Canadian funds)

Kobe, June 5, 1936.—During the last two years Canada has been able to establish and maintain a small share in the considerable imports of boneless beef into the Japanese market. At the time of writing, however, Canadian prices are entirely out of line, although importers have recently expressed new interest in possibilities of Canadian sources of supply in view of the delicate tariff situation with Australia, one of the principal suppliers.

IMPORTS OF BEEF

Japanese statistics do not show a separate classification for boneless beef. The general heading is that of "beef, fresh," which includes boneless beef as well as frozen or chilled beef. It can be assumed, however, that the imports, as far as Canada is concerned, are in the main those of boneless beef, and a special report prepared by the Kobe customs authorities for 1934 shows that about 97 per cent of the Canadian imports for that year entered through the port of Kobe, although from other sources of supply there is a considerable movement through the port of Yokohama, which also reaches the canning industry to which the imports are for the most part consigned.

Comparative figures for 1934 and 1935, computed from the official Japanese returns for all ports, translated into short tons for quantity and shown in yen value are as follows:—

	1935		1934	
	Short Tons	Yen	Short Tons	Yen
Manchukuo .. . . .	384	166,847	1,243	332,311
Kwantung Province .. .	1,073	513,067	1,579	713,475
China .. . . .	7,019	4,026,406	9,955	5,009,959
Canada .. . . .	506	171,997	387	115,250
Australia .. . . .	1,572	515,079	800	276,502
Other .. . . .	2,206	721,138	1,211	429,288
Total .. . . .	13,260	6,114,534	15,175	6,876,785

Item "other" includes Argentina, Brazil, Uruguay, and other South American countries; also New Zealand.

LOCAL PRODUCTION COMPARED WITH IMPORTS

As indicated, the imports of boneless beef are intended largely for the canning industry, with particular reference to the requirements of the naval authorities. Figures of live stock production (cattle—cows and oxen) in Japan for the years 1933 and 1934 will give some idea of the comparative quantities of imported beef as compared with beef slaughtered locally for consumption in the country.

The returns issued by the Ministry of Agriculture and Forestry indicate the number of animals slaughtered and meat produced in the country as follows:—

	1933	1934
Number of animals slaughtered .. . . .	326,227	297,017
Female .. . . .	190,106	177,334
Male .. . . .	136,121	119,683
Meat produced:		
Total quantity .. . . .Kg.	55,582,187	50,950,311
Total value .. . . .Yen	44,251,591	42,271,906
Female:		
Quantity .. . . .Kg.	32,410,213	30,403,236
Value .. . . .Yen	28,353,890	27,368,631
Male:		
Quantity .. . . .Kg.	23,171,974	20,547,075
Value .. . . .Yen	15,897,701	14,903,275

<sup>1</sup> See also *Commercial Intelligence Journal* No. 1632 (May 11, 1935).

### PRICE INDICATIONS

Recent quotations on boneless beef indicate a price of 5 cents Canadian per pound for Australian supplies, 4 cents per pound for supplies from New Zealand, and 4 cents per pound for supplies from South America—all c.i.f. The Australian quality is preferred, but Canadian boneless beef is of equal quality. Canadian producers, however, in the last few months have been unable to approach Australian prices, and so long as there is a satisfactory market in Canada for beef at 4 cents to 5 cents per pound f.o.b. plant, there is no inducement to ship to Japan. The Canadian price would be indicated at the equivalent of 8½ cents Canadian c.i.f. Japanese ports, with duty to the account of the importer. The present rate of exchange is a factor in this computation, but from the experiences of the last two seasons it seems possible that Canadian prices would be more in line about October of this year, and would allow Canadian suppliers to secure again some share of the business.

### QUALITY

As indicated in previous reports, the market calls for boneless beef without trimmings and without more than 3 or 4 per cent fat. Boneless beef with trimmings is also used in the market but the demand is not great. There is also a premium of about ¼ to ½ cent per pound on boneless beef without trimmings. It is not usual to sell the canning establishment direct, and the business is usually placed through importing firms who in turn have contracts with the naval authorities.

## CELLULOID INDUSTRY OF JAPAN

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

Tokyo, June 10, 1936.—The chemical industry in Japan has within the last few years made remarkable progress to the extent that, according to the Mitsubishi Economic Research Bureau, at the end of 1934 the capital investment in the chemical industry amounted to 935,000,000 yen or nearly 14 per cent of the entire industrial investment of the country.

The most developed of the chemical industries of Japan is that of cellulose, which covers rayon, pulp and paper, and celluloid, and of these pulp and paper ranks first in production value, reaching 218,000,000 yen in 1934.

### CAUSES OF ADVANCE

The celluloid industry in Japan has come to the fore within recent years among leading world producers, particularly in the quality and variety of the articles produced, and in the advance achieved in the field of non-combustible celluloids and of plastics. The advances shown are due to a number of causes, chief among which is the abundant supply of cheap camphor, an indispensable raw material of celluloid, and also the availability of cheap skilled labour from the factory districts of large cities.

Apart from camphor, other raw materials essential for the celluloid industry are cellulose, generally obtained from cotton, and also nitric acid for the manufacture of nitro-cellulose. With regard to cotton, there is an abundant and cheap supply of cotton cuttings obtainable from the cotton textile industry, and the growth of the nitrogen industry assures an ample supply of nitric acid. It can thus be seen that the celluloid industry benefits from a number of advantages which have stimulated its development.

### PRODUCTION

The two main branches of the celluloid industry can be classified as follows: (a) the production of raw celluloid; and (b) the manufacture of celluloid articles, the former being still by far the more important. According to the

manufacturing statistics of the Ministry of Commerce, the production of raw celluloid in 1934, the last full year for which figures are available, stood at 10,394 metric tons valued at 20,277,000 yen, and celluloid articles, the most important of which are toys, combs, and bracelets, were valued at 7,368,000 yen, showing a total of 27,645,000 yen. These figures almost triple the production figures of raw celluloid in 1930, when they stood at 4,200 metric tons valued at 8,030,000 yen, and are almost double those of celluloid articles for that year, when these were valued at 4,316,000 yen. The total value for 1930 was 12,346,000 yen.

It must be noted, however, that these figures do not include the production of small units employing less than five workers, of which there are many, for celluloid articles. This explains why export figures far exceed production values. For instance in 1934, while production of these articles stood at 7,368,000 yen, exports are shown to amount to 11,192,000 yen, the latter figure not including the exports of bracelets and umbrella handles.

### EXPORTS

With regard to exports, these have greatly increased within recent years, especially raw celluloid, which since 1931 has found large markets abroad, principally in Great Britain. Exports of manufactured articles are, however, more important.

Total exports of celluloid articles in 1935 amounted to 19 million yen, comprising 15½ million yen for manufactured articles and 3½ million yen for raw celluloid. When these are compared with exports in 1931 totalling 5·2 million yen, of which 4·7 million yen were of manufactured articles and 0·5 million yen of raw celluloid, the extent of this industry's development may better be gauged. Toys, the largest export item of celluloid articles, amounted to over 6 million yen in 1935, and combs were almost 4½ million yen.

According to Japanese statistics, Canada's purchases of raw celluloid have increased from 1,848 pounds in 1931 to 145,200 pounds in 1934, the last year for which figures are available.

Business results for the celluloid industry show a net profit rate which has increased from 5·7 per cent in 1931 to 20·6 per cent in 1934; dividend rates have increased from 3·8 per cent to 8·6 per cent.

## LEAGUE OF NATIONS ECONOMIC SANCTIONS

### Canadian Prohibition of Italian Imports, Certain Exports, and Credit to Italy Cancelled

With reference to notice in *Commercial Intelligence Journal* No. 1662 (December 7, 1935), page 1023, a Canadian Order in Council dated July 9, 1936 (P.C. 1715), provides for the cancellation as and from July 15, 1936, of Orders in Council P.C. 3461, P.C. 3594, and P.C. 164.

By Order in Council P.C. 3461, exports of certain arms, munitions, and implements of war were prohibited to Italy and Italian possessions, and Order in Council P.C. 3594 prohibited (a) Italian imports into Canada excepting gold or silver bullion or coin, later amended (P.C. 164) to include newspapers, periodicals, printed books, printed music, maps and hydrographic charts; (b) exports to Italy of certain key products useful for the prosecution of war, including transport animals, rubber, bauxite, aluminium, iron ore, manganese, chromium, nickel, tungsten, vanadium, titanium, and tin; and (c) loans or credits to Italy.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### Australian Preference Conditions for Piece-goods

According to an announcement issued by the Australian Customs Representative in New York on July 8, Canadian textile piece-goods, woven or knitted, of cotton, silk, or artificial silk, or of admixtures of these materials, are now required to have not less than 50 per cent of the factory or works cost of the article in its finished state made up of Canadian or Australian material and/or labour in order to be admitted to Australia under the British preferential tariff. Goods of this description were formerly admitted under the British preferential tariff if having 25 per cent of their cost made up as stated. The new requirement is effective as from July 3, 1936, but will not apply to goods in transit to Australia on or before July 17, 1936. It applies in a similar manner to other British countries whose goods enter Australia at British preferential rates.

### South African Tariff Changes

With reference to the report in *Commercial Intelligence Journal* No. 1686 (May 23, 1936), page 992, Mr. G. R. Heasman, Canadian Trade Commissioner in Cape Town, advises that a South African Tariff Amendment Bill, as from June 23, 1936, reduces the effective rate of duty to all countries as follows:—

Medicinal preparations, from 25 per cent to 20 per cent ad valorem; non-alcoholic dentifrices, from 25 per cent to 15 per cent ad valorem; unspecified lamps and lanterns, unspecified drugs, sanitary, sensitized and tracing paper, unspecified stationery, unspecified wire gauze, unspecified hardware, lawn mowers and garden rollers, unspecified sporting goods, toys, fishing tackle, gramophones, clocks and watches, and goods unenumerated in the complete tariff, from 20 per cent to 15 per cent ad valorem; blotting, carbon and wallpaper and cellophane, from 15 per cent to 10 per cent ad valorem; oil lamps and lanterns, and bicycles, from 10 per cent to 5 per cent ad valorem; common soap, from 10s. to 4s. 9d. per 100 pounds.

Radio sets are reduced from 20 per cent to 15 per cent under the intermediate and from 10 per cent to 5 per cent under the minimum tariff, applicable to the United Kingdom. On adults' canvas shoes the alternative duties of 1s. 6d. per pair minimum tariff and 2s. 6d. per pair intermediate tariff are reduced to 6d. and 1s. 6d. per pair respectively. The ad valorem duty of 30 per cent under both the minimum and intermediate tariff is unchanged. Canada and the United Kingdom are accorded the minimum tariff on canvas shoes.

In all the duty was reduced or wording amended on over 100 items, including entire abolition of "suspended" duties on some goods, these being rates which could have been brought into force by proclamation but which had remained inoperative.

### Belgian Tariff Changes

Under a Belgian royal decree effective June 25, 1936, knit elastic fabrics are made dutiable at 55 francs per kilo if the elastic thread runs both ways, and at 36 francs per kilo if the elastic thread runs only one way. Formerly these fabrics were dutiable at 18·40 francs per kilo if less than 45 mm. in width and 13·80 francs per kilo if of greater width. By the same decree corsets, girdles, and similar articles made wholly or partly of elastic knit fabrics are made dutiable at 128 francs per kilo if the elastic thread runs both ways, and at 65 francs per kilo if the elastic thread runs only one way. Formerly all corsets were dutiable at 20 per cent ad valorem. One kilogram equals 2·204 pounds. Belgian franc equals approximately 3·4 cents Canadian at present rate of exchange.

# FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 13

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending July 13, 1936, with the official bank rate. Quotations for the week ending July 6, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 6	Nominal Quotations in Montreal Week ending July 13	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1885	\$ .1886	3½
Belgium . . . . .	Belga	.1001	.1694	.1694	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0416	.0415	3
Denmark . . . . .	Krone	.2680	.2244	.2246	3½
Finland . . . . .	Markka	.0252	.0221	.0221	4
France . . . . .	Franc	.0392	.0663	.0662	3
Germany . . . . .	Reichsmark	.2382	.4040	.4037	4
Great Britain . . . . .	Pound	4.8666	5.0275	5.0325	2
Greece . . . . .	Drachma	.0130	.0093	.0094	4
Holland . . . . .	Guilder	.4020	.6825	.6816	3
Hungary . . . . .	Pengo	.1749	.2953	.2953	4
Italy . . . . .	Lira	.0526	.0787	.0791	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0231	.0230	5
Norway . . . . .	Krone	.2680	.2526	.2528	3½
Portugal . . . . .	Escudo	.0442	.0457	.0457	4½
Roumania . . . . .	Leu	.0060	.0074	.0073	4½
Spain . . . . .	Peseta	.1930	.1376	.1372	5
Sweden . . . . .	Krona	.2680	.2592	.2594	2½
Switzerland . . . . .	Franc	.1930	.3278	.3275	2½
United States . . . . .	Dollar	1.0000	1.0009	1.0009	1½
Poland . . . . .	Zloty	.1122	.1895	.1895	5
Argentina . . . . .	Peso (Paper)	.4245	.3351	.3356	—
Brazil . . . . .	Milreis (Paper)	.1196	.0864	.0864	—
Chile . . . . .	Peso	.1217	.0509	.0510	4½
Colombia . . . . .	Peso	.9733	.5695	.5695	4
Mexico . . . . .	Peso	.4985	.2779	.2779	4-5
Peru . . . . .	Sol	.2800	.2490	.2489	—
Venezuela . . . . .	Bolivar	.1930	.2403	.2402	—
Uruguay . . . . .	Peso	1.0342	.8007	.8000	—
China (Shanghai) . . . . .	Dollar	.....	.2996	.3000	—
Cuba . . . . .	Peso	1.0000	1.0000	.9999	—
Hongkong . . . . .	Dollar	.....	.3235	.3241	—
India . . . . .	Ruppee	.3650	.3792	.3795	3
Japan . . . . .	Yen	.4985	.2940	.2939	3.29
Java . . . . .	Guilder	.4020	.6855	.6846	4
Siam . . . . .	Baht (Tical)	.4424	.4606	.4611	—
Straits Settlements . . . . .	Dollar	.5678	.5890	.5896	—
South Africa . . . . .	Pound	4.8666	5.0212	5.0250	—
British Guiana . . . . .	Dollar	1.0138	1.0474	1.0484	—
Jamaica . . . . .	Pound	4.8666	5.0375	5.0425	—
Other British West Indies . . . . .	Dollar	1.0138	1.0474	1.0484	—
Martinique . . . . .	Franc	.0392	.0663	.0662	—
Guadeloupe . . . . .	Franc	.0392	.0663	.0662	—
Australia . . . . .	Pound	4.8666	4.0212	4.0262	—
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1550	5.1650	—
New Zealand . . . . .	Pound	4.8666	4.0537	4.0582	—
Argentina . . . . .	Free	Free	.2687	.2708	—
Brazil . . . . .	Free	Free	.0575	.0571	—
Chile . . . . .	Free	Free	.0409	.0410	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Movements in foreign exchanges were narrow and trading was generally light. The French franc held steady at 6.64 cents till the 10th, when the first decline since the beginning of the recovery occurred. Bank of France statements showed a sharp increase in gold holdings and the discount rate was again reduced by 1 per cent. Other gold currencies followed diverse courses. After advancing slightly, the Swiss franc moved downward again and closed at just below the levels of the opening rates. The Dutch guilder receded from 68.3 cents on the 6th to 68.2 cents on the following day, and rested there for the remainder of the week. A further movement of gold to Holland was recorded, and for the third time in the past fortnight a reduction occurred in the Bank of Netherlands' discount rate, which stood at 3 per cent as the week closed.

The premium on New York dollars at Montreal ranged from 0.09 per cent to 0.16 per cent during the week. The pound sterling was quoted at 5.034 at the close of the week as against 5.028 in the beginning.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.	Chatham, Ont.	St. Boniface, Man.
Halifax, N.S.	Stratford, Ont.	Winnipeg, Man.
Quebec, P.Q.	Woodstock, Ont.	Vancouver, B.C.
Montreal, P.Q.	St. Mary's, Ont.	New Westminster, B.C.
Toronto, Ont.	Portage la Prairie, Man.	

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Belleville, Ont.	Hamilton, Ont.
Kingston, Ont.	Peterborough, Ont.	Victoria, B.C.
Oshawa, Ont.	London, Ont.	Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Canned Fish.....	516	Jerusalem, Palestine.....	Purchase.
Canned Fish.....	517	Detroit, U.S.A.....	Agency.
Canned Fruits and Vegetables...	518	Jerusalem, Palestine.....	Purchase.
Canned Fruits, Vegetables and Meats.	519	Cardiff, Wales.....	Agency.
Canned Milk.....	520	Jerusalem, Palestine.....	Purchase.
Confectionery.....	521	Jerusalem, Palestine.....	Purchase.
<b>Miscellaneous—</b>			
Unglazed Newsprint.....	522	Penang, Straits Settlements.	Purchase.
Synthetic Stove Enamelling.....	523	Singapore, Straits Settlements.	Agency.
Asbestos (Ground, Crude); Asbestine.	524	Rotterdam, Holland.....	Agency.
Antimony.....	525	Sao Paulo, Brazil.....	Purchase.
Zinc.....	526	Sao Paulo, Brazil.....	Purchase.
Lead.....	527	Sao Paulo, Brazil.....	Purchase.
Copper.....	528	Sao Paulo, Brazil.....	Purchase.

### CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No. 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

### PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

#### From Montreal

*To Liverpool.*—Montclare, July 25; Duchess of York, July 31; Duchess of Richmond, Aug. 7; Duchess of Bedford, Aug. 11—all Canadian Pacific; Andania, July 31; Antonia, Aug. 14—both Cunard-White Star Line.

*To London.*—Beaverdale, July 24; Beaverburn, July 31; Beaverhill, Aug. 7; Beaverford, Aug. 14; Beaverbrae, Aug. 21—all Canadian Pacific; Aurania, July 24; Ausonia, July 31—both Cunard-White Star Line.

*To Manchester.*—Manchester Regiment, July 23; Manchester Citizen, July 30; Manchester Port, Aug. 6; Manchester Producer, Aug. 13; Manchester Commerce, Aug. 20; Manchester Division, Aug. 27—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Norwegian, Aug. 5; Kastalia, Aug. 22—both Cunard-Donaldson and Dominion Lines.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Aug. 26.

*To Cardiff, Bristol and Swansea.*—New York City, July 27; Bristol City, Aug. 13; Boston City, Aug. 31—all Bristol City Line.

*To Glasgow.*—Delilian, July 24; Sulairia, July 31; Letitia, Aug. 7; Airthria, Aug. 14; Athenia, Aug. 21—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnross (calls at Dundee), July 23; Cairnesk, Aug. 6—both Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kelso, Ellerman's Wilson Line, Aug. 4.

*To Dublin and Belfast.*—Kenbane Head, July 22; Dunaff Head, Aug. 7—both Head Line (cargo accepted for Londonderry and Cork).

*To Antwerp and Havre.*—Beaverdale, July 24; Beaverburn, July 31; Beaverhill, Aug. 7; Beaverbrae, Aug. 21—all Canadian Pacific (do not call at Havre); Brant County, July 20; Columbia, Aug. 2; Grey County, Aug. 25—all County Line.

*To Rotterdam.*—Hada County, July 27; Kings County, Aug. 14; Alaska, Aug. 29—all County Line.

*To Hamburg.*—Anhalt, North German Lloyd Line, Aug. 7; Beaverford, Canadian Pacific, Aug. 14.

*To Copenhagen, Gothenburg and Baltic Ports.*—Korsholm, Swedish-America-Mexico Line, July 29.

*To Norwegian Ports.*—A steamer, Norwegian-America Line, July.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Navemar, Gardiaz Line, Aug. 17.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Olmo, July 28; Capo Lena, Aug. 25—both Capo Line.

*To Marseilles, Genoa, Barcelona and Spanish Ports.*—Gunvor, Canada-Mediterraneo Line, Aug. 15.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Belle Isle, Newfoundland-Canada SS. Co., July 31; Delia (calls at Trinity and Conception Bay ports), Aug. 6; Maisol (does not call at St. Pierre), Aug. 17—both Shaw SS. Co. Ltd.

*To Cornerbrook, Nfld.*—New Northland, July 20; North Voyageur, July 26—both Clarke SS. Co.

*To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Cornwallis, July 23; Colborne, Aug. 6; Chomedy, Aug. 20—all Canadian National.

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Lady Somers, July 22; Cathcart (does not call at Hamilton or Nassau), July 31; Lady Rodney, Aug. 5—all Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lionel, July 28; Flint II, Aug. 12—both Ocean Dominion SS. Corp.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Canadian Constructor, July 24; Canadian Cruiser, Aug. 28—both Montreal Australia New Zealand Line.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Canadian Victor, July 24; Canadian Highlander, Aug. 21—both Montreal Australia New Zealand Line.

*To Manila, Hongkong, Shanghai, Yokohama and Dairen.*—City of Lyons, Canada Far East Line, Aug. 3.

*To Yokohama, Kobe and Osaka.*—A steamer, Kokusai Line, August.

*To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.*—Calgary, July 20; Meriones (does not call at Freetown, Lourenco Marques or Beira), Aug. 5—both Elder Dempster Lines Ltd.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Evansville, July 26; City of Johannesburg, Aug. 12—both Ellerman & Bucknall SS. Co.

*To Colombia, Ecuador, Peru and Chile.*—A steamer, Canadian National, monthly

*To Montevideo and Buenos Aires.*—Augvald, Aug. 5; Dagrun, Aug. 15—both Canada-South America Line.

### From Quebec

*To Southampton.*—Empress of Britain, Canadian Pacific, Aug. 1 and 15.

### From Saint John

*To Manchester.*—Manchester Exporter, July 25; Manchester Brigade, Aug. 22—both Manchester Line.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, July 22; Lady Nelson, Aug. 5; Lady Hawkins, Aug. 19—all Canadian National.

*To Kingston and Jamaican Outports.*—Crawford Ellis, July 24; Harboe Jensen, July 31—both United Fruit Line.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—A steamer, American and Indian Line, August.

### From Halifax

*To Liverpool.*—Newfoundland, Aug. 1; Nova Scotia, Aug. 18—both Furness Line.

*To London and Hamburg.*—Liberty, Aug. 1; Cold Harbour, Aug. 15—both American Hampton Roads (call at Hull, Leith and Dundee).

*To Aberdeen, Newcastle and Hull.*—Cavallo, Ellerman's Wilson Line, July 28.

*To Copenhagen and Baltic Ports.*—Batory (calls at Gdynia), Gdynia-America Line, Aug. 5.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Amherst, July 20; Fort Townsend, July 27—both Furness-Red Cross Line; Gaston Micard, Newfoundland-Canada SS. Ltd., July 27; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., July 29; Newfoundland (does not call at St. Pierre), Furness Line, Aug. 1.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, July 30; Lady Nelson, Aug. 13; Lady Hawkins, Aug. 27—all Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, July 20; Lionel, Aug. 1; Flint II, Aug. 17—all Ocean Dominion Line.

*To Santiago (Cuba) and Kingston (Jamaica).*—Ciss, Pickford & Black Ltd., July 29.

*To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Cornwallis, July 27; Colborne, Aug. 10; Chomedy, Aug. 24—all Canadian National.

*To Kingston (Jamaica) and Belize (British Honduras).—Cavalier, July 20; Cathcart, Aug. 3—both Canadian National.*

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Silverteak, Aug. 1; Cingalese Prince, Aug. 22; Silversandal, Aug. 29—all Silver-Prince Line.*

*To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Prometheus, Java-New York Line, Aug. 15.*

### From Vancouver

*To Yokohama, Kobe and Osaka.—Hikawa Maru, Aug. 11; Hiye Maru, Aug. 29; Heian Maru, Sept. 12—all Nippon Yusen Kaisha.*

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Japan (calls Honolulu), July 25; Empress of Asia (calls Nagasaki), Aug. 8; Empress of Canada (calls Honolulu), Aug. 22; Empress of Russia (calls Nagasaki), Sept. 5—all Canadian Pacific; Ixion, Aug. 2; Talthybius, Aug. 30—both Blue Funnel Line (call at Miike but not at Manila).*

*To Shanghai.—Harlingen, July 30; Stonegate, Aug. 10—both Ocean Shipping Co. Ltd.*

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Hopecrest, Silver-Java Line, July 31.*

*To Honolulu, Suva, Auckland and Sydney.—Niagara, Aug. 12; Aorangi, Sept. 9—both Canadian-Australasian Line.*

*To Auckland, Wellington, Melbourne and Sydney.—Golden Bear, Aug. 15; Golden Cloud, Sept. 15—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).*

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Cape Horn, Aug. 12; Hauraki, Sept. 20—both Canadian-Australasian Line.*

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., July.*

*To Sydney, Melbourne and Adelaide.—Hartington, July-August; a steamer, August; Harmanteh, August-September—all Australian Freight Line.*

*To London, Liverpool and Rotterdam.—Drechterdyk (calls at Glasgow), July 25; Nictheroy, Aug. 8; Damsterdyk (calls at Glasgow), Aug. 22—all Holland-America Line.*

*To London, Liverpool and Cardiff.—A steamer, Reardon Smith Line, July.*

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—A steamer, East Asiatic Co., July.*

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., July.*

*To Scandinavian Ports.—Buenos Aires, Aug. 10; Canada, Aug. 17; Axel Johnson, Aug. 27—all Johnson Line.*

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—A steamer, Empire Shipping Co., July.*

*To Port of Spain (Trinidad) and Bridgetown (Barbados).—A steamer, Canadian Transport Co., July.*

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Silverbelle, Aug. 5; Manoeran, Sept. 5—both Silver-Java Pacific Line.*

*To Cape Town, Algoa Bay, East London, Durban, and Lourenco Marques.—A steamer, South African Dispatch Line, August.*

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—A steamer, July 22; Hardanger, Aug. 21—both Empire Shipping Co.*

*To Puerto Colombia, Kingston and Tampico.—Point Ancha, Gulf Pacific Mail Line Ltd., July 25.*

### From New Westminster

*To London and Liverpool.—Corrientes (calls at Glasgow), Balfour Guthrie & Son, July 30; Sacramento Valley (calls at Cardiff), Reardon Smith Line, Aug. 3.*

*To Manchester.—Corinthic, Anglo-Canadian Shipping Co., July 20.*

*To United Kingdom Ports.—San Antonio (calls at Continental ports), Empire Shipping Co., July 25; Chloe, Anglo-Canadian Shipping Co., July 28; John Bakke, Canada Shipping Co., July 29.*

*To Chinese Ports.—Stonegate, Ocean Shipping Co., July 20.*

*To South African Ports.—Mapia, Dingwall Cotts & Co., July 20.*

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGROSS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*  
*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

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**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

# COMMERCIAL INTELLIGENCE JOURNAL



Vol. LV

Ottawa, July 25, 1936

No. 1695



Shipment of Motor Chassis and Parts from Canada arriving at  
Geelong, Australia.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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# COMMERCIAL INTELLIGENCE JOURNAL

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**Vol. LV** **Ottawa, July 25, 1936** **No. 1695**

## NEW ZEALAND TRADE AGREEMENT

Steps were taken this week to renew in its present form to September 30, 1937, under statutes of 1932-33, the Trade Agreement between Canada and New Zealand which was due to expire on July 31, 1936.

## MR. COSGRAVE'S TOUR IN CANADA

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Melbourne, is at present on tour in the interest of Canadian trade with Australia. His itinerary will be continued as follows:—

Ottawa and district . . . . .	July 27 to 29	St. Catharines . . . . .	Aug. 7
Brockville, Morrisburg . . . . .	July 30	Niagara Falls . . . . .	Aug. 8
Oshawa . . . . .	July 31	Kitchener . . . . .	Aug. 10 and 11
Hamilton . . . . .	Aug. 4 and 5	Windsor . . . . .	Aug. 12 and 13
Brantford . . . . .	Aug. 6	London . . . . .	Aug. 14 and 15

Firms who wish to be brought in touch with Mr. Cosgrave should communicate with the respective Board of Trade or Chamber of Commerce in these cities.

## TRADE OF TIENTSIN IN 1935

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### I

Tientsin, June 1, 1936.—Tientsin is the most important commercial centre in North China and is surpassed only by Shanghai for the whole of China. Trade statistics, however, are not compiled for the various sections of the country, but are issued on a national basis only, and it is therefore impossible to segregate the figures applicable to North China only from those covering the whole of China.

Nevertheless, import and export statistics for the port of Tientsin dealing with the various produce categories and the principal items in each are issued on a monthly basis and these serve as a valuable guide to trade trends for the whole area tributary to this centre. The figures covering the whole of 1935 have now been issued and these as treated below may be taken as representative of the trade of the whole of North China.

### IMPORTS AND EXPORTS

Total imports and exports are as follows in Chinese yuan or dollars of an average value in 1934 of U.S.\$0.33 and in 1935 of U.S.\$0.36.

	1935	1934	Inc. or Dec.
Total trade . . . . .	179,262,209	179,469,774	— 207,565
Imports . . . . .	88,060,259 <sup>1</sup>	98,419,096 <sup>1</sup>	—10,358,837
Exports . . . . .	91,201,950	81,050,678	+10,151,272
Balance of trade . . . . .	+ 3,141,691	— 17,368,418	+20,510,109

<sup>1</sup> Converted from Chinese Customs gold units at the above-noted average exchange rates for Chinese dollars and of Customs gold units (which were U.S.\$0.66 in 1934 and U.S.\$0.68 in 1935).

The above figures demonstrate that the total trade of this port showed little change from the previous year, although the two items which compose it both changed considerably. The tendency to a decrease in imports, which was so marked in 1934, continued during 1935, although the rate of decrease diminished to a noticeable extent. Whereas in 1934 the drop in imports amounted to 20 per cent, it was 10 per cent during the year under review. Moreover, smuggling into North China, on a highly organized basis, really began at the beginning of the last quarter of the year, and if the value of those smuggled goods, in excess of the value of those ordinarily brought in illegitimately from year to year, be added to the above total, the drop in imports will be somewhat reduced.

Were it not for this intensive smuggling it might be said that trading conditions for the present year would be more promising than they have been in recent years, and that the bottom of the long depression appears to have been reached. As it is, the import figures when published for 1936 will show a decrease of 40 per cent at the least as compared to those under review, because of this smuggling which is almost completely disrupting legitimate imports into this territory in nearly every article of trade.

The noticeable feature of this year's figures is the marked rise in the value of exports, which amounted to a 12 per cent increase as compared to an 8 per cent decrease in 1934. Moreover, these figures truly reflect Tientsin's export trade for the year except in the case of silver coin and bullion which went out by the smugglers' route. It is an encouraging sign for the future and demonstrates the renewed ability of China's export markets to absorb more of her products. The lifting of the depression abroad and the consequent increase in the purchasing power of her principal customers is the chief reason for this better showing. There is little reason for doubt that Tientsin's export trade in the present year will continue to expand in the same manner.

#### BALANCE OF TRADE

As a consequence a favourable balance of trade was achieved statistically in the year under review, although actually, smuggled goods considered, this is very doubtful. Nevertheless there still remains a great difference as compared to 1934, when the adverse balance of trade was around 21 per cent of the total exports.

#### GENERAL TRADING CONDITIONS

General trading conditions during the year cannot be said to have been encouraging. Commencing in the early months, a succession of political disturbances, renewed from the previous year, and continuing throughout the whole remaining period, reacted severely to the detriment of the import trade. Marked uncertainty and doubt as to the political future of this territory, as to the continuance of normal peace and tranquility, and as to the stability of the customs organization, engendered in importers a marked disinclination to contract for imported goods beyond the amounts necessary to carry on their businesses on a hand-to-mouth basis. Commercial risks were minimized to the utmost extent and dependence was placed, as much as possible, on articles well known and established, having an assured market. The entire latter half of the year was characterized by a noticeable lack of confidence and a cutting-off of all but immediately profitable expenditure. Efforts were concentrated on maintaining the status quo as far as possible and of weathering the storm caused by this and other factors.

#### THE SILVER CRISIS

One of the most important of these was the silver crisis, which arose in 1934 and extended to November, 1935, on the 4th of which month a managed paper currency was introduced. The whole of the year up to that month was

characterized by exchange fluctuations which at certain periods, particularly towards the end, were violent in nature. From a high of around U.S.\$0.42 in May the Chinese dollar dropped to a low of about U.S.\$0.30, at which point it was stabilized on the above date.

The disruptive influence of these fluctuations on imports was very noticeable since forward exchange during the period was only obtainable at a high premium and the import trade naturally suffered in consequence. This factor had the same limiting effect as the one discussed previously, the natural result of these rapid changes and the ultimate fall in the value of the dollar being a tendency to replace the imported article, whenever possible, with one of local manufacture which was not subject to these influences. Since the currency was successfully stabilized this impeding factor has been eliminated, and were it not for others of a much less encouraging nature which are still present in greater degree than before, a more optimistic view of the present year's trade trend might have been expressed.

### FLOOD AND DROUGHT CONDITIONS

Floods on the Yellow River which caused great damage were again a feature as they were in the previous year. However, the locale of these was mainly on the right bank of the river in territory not a part of but tributary to North China. Nevertheless southern Hopei (Chih-li) and Shantung Provinces sustained noticeable damage from this cause. In contrast to this, the northern and eastern sections of this territory suffered fairly severe drought, with the result that there was harvested only a 60 per cent crop of wheat, the other grain crops being more or less on the same basis. Quite apart from the other factors noted above, the consequent decrease of the purchasing power of the agricultural population from this cause was sufficient to cut down materially the total of imports into this territory.

### SMUGGLING

Smuggling into North China has been given international publicity and has become an international question. At all times there was a noticeable amount of this illicit trade carried on in the north and, in fact, in every part of China, but it was only about October, 1935, that it was placed on its present highly organized and capitalized basis. Although important as a deterrent factor in the import trade of 1935, and therefore worthy to be discussed as one, its effect was confined mainly to the last quarter of the year and to only a few commodities. The principal two of these were sugar and artificial silk, both of which are subject to very high customs duties, and the smuggling of which is a very profitable venture. Nevertheless, its contribution to the year's total import decrease was noteworthy even for the limited period of its operation, and the addition of the figures covering smuggled goods would undoubtedly improve the import statistics considerably.

The Chinese Customs Preventive Service, both on land and sea, has during the past eight months (from October, 1935, to May, 1936) been quite unable to cope with the flood of goods which has been pouring into North China through the ports of the Demilitarized Zone, the coastal area of which stretches from the mouth of the Hai Ho river, below Tientsin, to the Manchurian border at Shanhaikwan. The principal articles dealt in to date are sugar, artificial silk, woollen and cotton piece-goods and their manufactures, threads and yarns, paper of many kinds, proprietary articles, rubber goods, tires and tubes, chemicals and dyes, soap, whisky, kerosene, gasoline, metalware, confectionery, canned goods, and bulk foodstuffs—in fact, practically every article of import except heavy goods such as machinery and iron and steel. Some weeks ago it was estimated that smuggled goods were pouring into North China at the rate of \$300,000,000 per annum.

The effect of the rampant smuggling is to disrupt almost wholly the legitimate import trade of this territory and to undermine the country's entire economic structure. The Chinese New Year, the principal day of settlement in China, saw thousands of firms, mostly small traders, insolvent or in grave financial difficulties from which, according to official reports, the majority were unable to extricate themselves.

### EXPORTS

The total net exports from Tientsin to overseas countries during 1935 were valued at Yuan \$91,201,950 (Yuan or Chinese dollars) as compared to Yuan \$81,050,678 in the preceding year. The following table shows the export totals for these two years for each of the principal commodity groups:—

Commodity Group	1935	1934	Inc. or Dec.
	Values in Yuan Dollars		
Animals and animal products . . . . .	19,535,894	16,838,634	+ 2,697,260
Hides, leather and skins . . . . .	9,522,967	12,729,308	— 3,206,341
Beans and peas . . . . .	997,392	999,440	— 2,048
Cereals and cereal products . . . . .	5,967,412	1,768,926	+ 4,198,486
Fruits, fresh, dried, preserved . . . . .	3,139,348	3,342,065	— 202,715
Medicinal substances and spices . . . . .	2,104,908	2,791,942	— 687,034
Oil, tallow and wax . . . . .	545,362	288,179	+ 257,183
Seeds . . . . .	6,749,598	5,782,307	+ 967,291
Spirituuous beverages . . . . .	275,932	344,786	— 68,854
Tobacco . . . . .	68,775	225,092	— 156,317
Vegetables . . . . .	774,766	776,999	— 2,233
Fuel . . . . .	365,534	240,759	+ 124,775
Textile fibres . . . . .	33,057,639	26,683,454	+ 6,374,185
Other textile products . . . . .	3,605,393	4,121,563	— 516,170
Ores, metals and products . . . . .	370,045	281,415	+ 88,630
Stone, earth, sand and manufactures . . . . .	146,356	147,572	— 1,216
Chemicals and products . . . . .	150,488	366,818	— 216,330
Sundry . . . . .	3,824,141	3,321,421	+ 502,720
Total . . . . .	91,201,950	81,050,678	+ 10,151,272

(The average value of the Yuan dollar during 1935 was U.S.\$0.36, and in 1934, U.S.\$0.33)

### NOTES ON THE EXPORT ITEMS

As is customary, the textile fibres group is much the most important as it includes two outstanding products, raw cotton and sheep's wool. Each of these showed a substantial increase over the previous year, the respective figures being Yu.\$13,504,373 (Yu.\$12,033,839 in 1934) and Yu.\$12,601,626 (Yu.\$10,939,959). Other items of note were hemp, valued at Yu.\$2,455,477 (Yu.\$721,912); camels' wool, Yu.\$1,810,391 (Yu.\$1,093,570); goats' wool, Yu.\$1,185,681 (Yu.\$669,016); and jute, Yu.\$822,892 (Yu.\$621,671). Over 95 per cent of the sheep's wool was taken by the United States, and about 60 per cent of the raw cotton went to Japan.

The "other textile products" group was composed of woollen carpets to the extent of 95 per cent. These totalled Yu.\$3,444,919 (Yu.\$4,075,752), showing a noteworthy decrease for the year. The United States and Great Britain combined accounted for 75 per cent of the total value.

Second in importance is the animals and animal products group, which also showed a substantial increase over 1934. The principal items, with their values, which compose it are: bristles, valued at Yu.\$4,939,004 (Yu.\$3,985,668), of which 70 per cent went to the United States; dried egg albumen totalling Yu.\$4,490,794 (Yu.\$3,965,562), of which two-thirds was absorbed by the United States and Great Britain combined; dried egg yolk amounting to Yu.\$2,145,746 (Yu.\$1,154,959); moist and frozen whole egg, Yu.\$1,843,664 (Yu.\$1,646,601); eggs in shell, Yu.\$1,040,515 (Yu.\$1,101,898); and sausage casings, Yu.\$2,894,869 (Yu.\$2,563,232).

The third most important group, hides, leathers, and skins, including furs, contains lamb skins valued at Yu.\$2,576,593 (Yu.\$6,159,742). The large drop in which more than accounted for the large decrease in the total of this main group during the year under review. The United States took practically the entire exports of this item. A miscellaneous item of skins, mats, and rugs totalling Yu.\$3,379,244 (Yu.\$1,847,585) was also absorbed for the greater part by the United States, as were the items covering undressed goat skins amounting to Yu.\$1,080,908 (Yu.\$1,338,239), and kid skins, Yu.\$767,158 (Yu.\$881,381).

The seeds group was fourth in importance. The principal item was apricot seed totalling Yu.\$2,173,129 (Yu.\$1,131,301), of which Germany took about 60 per cent. A miscellaneous seed item with a value of Yu.\$2,375,365 (Yu.\$3,071,820) was absorbed chiefly by the

United States, Japan, and Australia. Cotton seed amounting to Yu.\$1,187,981 (Yu.\$832,529) went entirely to Japan. Shelled peanuts of a value of Yu.\$721,604 (Yu.\$602,458), and peanuts in shell, Yu.\$217,742 (Yu.\$142,323) were the only other noteworthy items in this group.

The cereals and cereal products group is composed mainly of one conglomerate item, "cereals and flour n.o.r.," which had a value of Yu.\$5,402,645 (Yu.\$542,356), showing a ten-fold rise from the previous year. Korea took 60 per cent and Japan 38 per cent of the total exports of this item. Bran valued at Yu.\$557,305 (Yu.\$1,200,087) went wholly to Japan.

Of the fruits, fresh, dried, and preserved, shelled walnuts is much the largest component part. For the year the total value was Yu.\$2,034,048 (Yu.\$2,259,117), of which the United States and Canada took about 45 and 40 per cent respectively. The only other items of importance were: fresh chestnuts, Yu.\$404,938 (Yu.\$395,828); dried black dates, Yu.\$201,016 (Yu.\$227,223); dried red dates, Yu.\$168,166 (Yu.\$141,324); walnuts in shell, Yu.\$163,915 (Yu.\$186,357); and fresh pears, Yu.\$107,708 (Yu.\$79,947). The greater part of all these items was shipped to nearby territories such as Hongkong, Japan, and the Kwantung Leased Territory.

Liquorice amounting to Yu.\$577,448 (Yu.\$604,530) was the chief single item of the medicinal substances and spices group. It was closely followed by rhubarb valued at Yu.\$343,752 (Yu.\$587,879). Hongkong was the destination of much the greater part of both of these products. The remainder of the group was accounted for under a miscellaneous item totaling Yu.\$983,708 (Yu.\$1,599,533), the decrease in which was responsible in the main for the poor showing of this group for the year.

On the whole, Tientsin's export trade had a very successful year as the majority of the export staples of the port increased in value as compared with 1934. Given a continuance of improving conditions overseas and currency stabilization at home, together with no unduly disturbing political developments, it is expected that the total exports for the year 1936 will also show a noteworthy increase over those treated in the foregoing.

## CENTRAL CHINA LEATHER AND LEATHER GOODS MARKET

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

(The average value of the Chinese Customs gold unit during the three years (1933 to 1935) covered by this report was U.S.\$0.6184. One kilogram is equal to 2.2046 pounds.)

Shanghai, June 12, 1936.—Although China has been an exporter of hides for many years past, it is only within comparatively recent years that a tanning industry along modern lines has developed in this country. The greatly increased demand for leather which has taken place in the last twenty-five years has stimulated the growth of tanning, and the industry is now well established in the main treaty ports.

### SHANGHAI THE MOST IMPORTANT CENTRE

The most important centre of the tanning industry is Shanghai, where there are some twenty large tanneries in operation, as well as over 200 small plants. The latter turn out mainly coarse sole leather and other cheap articles. On the other hand, the more important tanneries have considerably improved the quality of their product within the past fifteen years, some of them under the direction of foreign experts. Although the leather on the whole is inferior to the imported product, costs of production are lower, and it has had the advantage of increased customs duties since 1929.

The Shanghai tanning industry has, along with practically all other trades, suffered during the past two years from depressed business conditions. Taking the long view, however, it will only be a question of time before the local tanning industry will supply the requirements of this market in all but a few special lines.

### SOLE LEATHER

The most noteworthy progress has taken place in sole leather produced from domestic hides, and the quality is understood to be quite satisfactory for this market, in which there were never favourable opportunities for the better grades of sole leather.

Prior to the expansion of the local industry, sole leather was imported into China in substantial quantities, principally from Australia, the United States, and the Straits Settlements (Singapore); several other countries enjoyed a considerable trade in this commodity. Canada was one of the minor sources of supply. In recent years, however, Chinese tanners have almost taken control of the market. The total imports of sole leather for the past three years, along with the chief supplying countries, are given in the following table:—

*Imports of Sole Leather into China*

	1933		1934		1935	
	Kg.	G.U.	Kg.	G.U.	Kg.	G.U.
Total imports.. . . . .	656,900	544,948	273,000	187,103	335,286	154,870
Australia .. . . . .	93,600	70,404	40,100	29,124	118,365	59,931
British India (incl. Burma)..	90,500	50,467	29,500	12,187	45,214	20,024
Great Britain .. . . . .	36,000	32,746	11,600	7,959	10,475	3,895
Hongkong .. . . . .	136,400	93,866	60,700	28,465	53,447	18,788
Japan .. . . . .	6,500	5,545	31,500	23,481	16,060	8,626
Straits Settlements and Feder- ated Malay States .. . . .	88,600	83,865	49,700	41,482	60,332	28,435
United States .. . . . .	110,800	109,198	32,400	27,641	4,503	3,814
Other countries .. . . . .	96,400	100,196	17,600	16,898	26,890	11,357

Taking the average for the three-year period according to the volume imported, Shanghai accounted for 25 per cent of the total imports into China.

Although the 1935 imports are larger than those of the previous year, they fall far short of the 1933 total, and the situation is one that is not likely to improve.

It is understood that early in 1935 Australian shippers, who accounted for over one-third of the total imports (without allowing for leather from that source transhipped at Hongkong), were able to offer exceptionally low prices, thus making it possible to sell temporarily against local tanneries, but Australian quotations have since risen and are no longer competitive. A considerable proportion of the Australian exports to this market is understood to consist of offal leather, such as shoulders and bellies.

It will be noted that the value of the imports for 1935 is considerably lower than that of 1934, although the volume is substantially greater. This would seem to indicate that during 1935 a considerable quantity of a cheap grade of leather was imported under the heading of sole leather, and it has been pointed out in this connection that certain other leathers required for different purposes have probably been included under this heading for the reason that they are assessed at the same duty. In this connection one importer points out, for example, that what are known locally as "sole splits" (which are not classified separately in the import returns) would probably be included under sole leather. Reference will be made later in this report to sole splits.

There is also a limited importation of saddlery and harness leather, which it is considered would probably be included in the customs returns for sole leather.

The opinion is unanimous in the trade that the demand for imported sole leather in this market is now negligible. It is stated that a number of sole leather dealers have gone out of business and that the remainder are handling the domestic product.

The Shanghai trade, it may be stated, calls for a flexible leather with a good glaze. The colours in demand range from hemlock red to dark brown. Generally speaking, the Chinese dealers prefer the thinner and lighter leathers which yield more working leather per pound, the thicknesses in demand being as follows: shoulders, 6 irons; sides, 6 to 8 irons; bellies, 5 irons; and bends, 7 to 9 irons.

SOLE SPLITS

Although the demand for imported sole leather has been declining, a fair outlet has developed in Shanghai during the past three to four years for what are

described as "sole splits." This leather is being used for making into soles for high-grade Chinese-style shoes. This class of shoe is made usually with a silk or cotton upper instead of leather and the soles are soft-surfaced. This type of shoe is worn by the more conservative element of the better-class Chinese who have not adopted Western-style footwear. Previous to employing sole splits, the bottoms for this class of shoes were made from inferior local leather or from white felt.

The imported sole splits sold in this market in recent years have been coming mainly from the United States and Australia, but there would appear to be room for Canadian tanners to obtain a share of this trade provided competitive prices can be offered in the right quality of leather. In this connection, it is reported that Australian quotations have lately risen to the point where they are too high for the Shanghai trade.

The specification in general demand is known as a  $4\frac{1}{4}$ -ounce to  $4\frac{1}{2}$ -ounce split, and is generally furnished in half-hides measuring from 10 to 12 square feet each. Some American tanners ship full-sized hides measuring from 200 to 240 square feet to the dozen, but half-hides averaging from 100 to 110 square feet per dozen are preferred. The weight of 100 square feet of this leather should be approximately 28 pounds. Importers advise that one of the difficulties is to obtain a thick enough split that is at the same time soft and flexible.

The preference for colour changes from time to time, but at present the demand is for light fawn and light lemon. It is essential that the colour be strictly uniform.

This material is packed 15 to 20 dozen to a bale, each dozen being wrapped separately in attractive paper. The bale should be protected by gunnies and lined with oiled paper.

#### UPPER LEATHER

It is in upper leathers that foreign suppliers have been least affected by domestic competition. The local production is so far relatively unimportant except in the cheaper grades, and while it may be expected that imports will be gradually displaced by the local tanners, there would seem to be reason to anticipate a considerable demand for some time to come for various imported upper leathers in qualities that the Chinese industry is not in a position to supply. The demand for foreign-style shoes among the younger generation of better-class Chinese has grown noticeably within the past five years, thus increasing the consumption of upper leather by local manufacturers.

Imports of all upper leathers into China proper during 1934 and 1935 were: 1934, 238,494 kg. (G.U.954,350); 1935, 224,930 kg. (G.U.808,385). Taking the average for these two years by volume, Shanghai accounted for 80 per cent of the total quantity imported.

#### PATENT LEATHER

The United States has for a number of years been the principal supplier of patent leather to the Central China market. The bulk of the trade is in the hands of one firm, although there are a number of other brands competing for the business. The American brand which is principally sold appears to be of the non-degreased type. It has not the high polish of some other brands, but enjoys a reputation for not cracking, and this is understood to account for its popularity. However, in spite of the outstanding position of the leading American supplier, which has rendered competition from other sources very difficult, one Canadian brand has been obtaining a share of the trade.

There has been a growing tendency in recent years toward cheaper grades of patent leather in the Shanghai market as a result of an increasing demand for cheap Western-style women's and children's slippers manufactured locally. For several years past A and B grades have been practically eliminated; most of the sales are now in C, D, and X qualities, the D grade being the most popular.

Chrome-tanned skins of small size and of light-medium weight are most in demand. A few years ago there was a sale for various colours, but black is again almost exclusively the wear.

#### CALF LEATHER

The principal demand under this heading is for black calf leather. Germany is the leading source of supply. A few other European and American tanners obtain a small share of the business, but it is uphill work as far as black calf is concerned.

Calf hides are imported into this market to a small extent for the local tanning industry for making into better-class calf leather used in ladies' shoes, domestic hides being mainly employed for the tanning of upper leather suitable for men's footwear. Imports are principally from Australia and the United States, but Australian prices have lately been non-competitive.

An inquiry has been received from a Shanghai importer desirous of obtaining a Canadian source of supply for calf hides in light weights, wet salted. Interested Canadian firms may obtain the name of this firm on application to the Department of Trade and Commerce, Ottawa.

#### KID LEATHER

There is a considerable outlet for kid leather in the cheaper grades and small sizes for ladies' shoes. Practically all imports are from the United States, with the exception of small quantities of gold and silver kid imported from Germany for ladies' evening dress shoes.

#### LEATHER BELTING

Leather belting is not shown separately in the import returns. The demand is declining. At one time the United States, Japan, Great Britain, and Germany sold fair quantities, but in the last few years the bulk of the trade has gone to domestic manufacturers. There are three foreign firms in Shanghai producing leather belting; two of these are American and one is British. In addition, there are a number of Chinese factories operating on a small scale.

The quality of leather belting now made in Shanghai is considered satisfactory for this market. A few years ago belting made in China was only sold to small machine shops, but to-day a number of cotton mills use nothing else. A certain amount of business still goes to British manufacturers of high-class belts, particularly among industrial enterprises that are British-owned. The same condition applies to German and other foreign-made belting, but, broadly speaking, the domestic industry is now so well entrenched that imported belting is unable to compete for the general requirements of this market.

Apart from the competition offered by the local belting industry, the demand in Central China has been falling off in recent years, as a number of engineering and many other industrial concerns, including rice mills, have begun to use rubber ply belting. Further, the cotton industry, which has been the main outlet for leather belts, is now to an increasing extent turning to what are described as "V" belts, made of cotton fabric with rubber bonding. This type of belting is imported almost entirely from the United States.

During the years 1933 to 1935 inclusive an average of 40,335 kilograms of leather, valued at 76,576 gold units, was imported for the purpose of making leather belting, Shanghai taking almost the entire quantity. Practically all this leather has come from the United States and is probably required for the American belting companies referred to above.

#### LEATHER BOOTS AND SHOES

Below are given the imports of leather boots and shoes into China for the past three years:—

	1933		1934		1935	
	Pairs	G.U.	Pairs	G.U.	Pairs	G.U.
Total imports .. . . .	47,777	113,676	78,318	151,083	82,305	142,415
Czechoslovakia .. . . .	5,914	12,068	43,374	76,601	47,417	69,408
Great Britain .. . . .	15,441	59,247	8,217	31,017	9,510	30,216
Hongkong .. . . .	13,494	9,236	10,447	7,778	3,762	3,037
Japan .. . . .	6,703	2,448	9,737	2,733	14,508	13,938
United States .. . . .	3,921	23,781	4,584	27,029	4,524	20,742
Other countries .. . . .	2,754	7,974	1,959	5,925	2,588	5,090

Of the total volume for these three years, Shanghai absorbed 70 per cent.

The outlet for imported boots and shoes in Central China is almost confined to the small foreign population (which, excluding Japanese, is estimated to be less than 45,000 in Shanghai), with the exception of the cheap shoes introduced into this market by the Bata Shoe Company of Czechoslovakia. This concern, which maintains its own retail sales organization in Shanghai, enjoys an outlet primarily among the Chinese who have adopted Western-style clothes and among foreigners, particularly Russians, who cannot afford the better-class imported shoes. Bata shoes can be purchased retail at prices ranging from \$5 to \$6 local currency (approximately \$1.50 to \$1.80 Canadian) for women's shoes and from \$6 to \$10 (approximately \$1.80 to \$3 Canadian) for men's.

Broadly speaking, however, Chinese who wear Western clothes buy locally made shoes and foreign residents are to an increasing extent also satisfying their requirements with locally made products. In Shanghai there are a number of Japanese shoemakers catering to the foreign trade who have developed a high degree of skill, and the shoes which they turn out at half the price (both women's and men's) approach very close to the imported article in both quality and style.

Summing up, there is very little inducement for Canadian firms to cater to this market as the limited outlet for medium- and higher-priced imported shoes is already well taken care of by brands long established among the leading retail stores in Shanghai.

#### LEATHER GLOVES

Imports of leather gloves of all kinds are given for the years 1934 and 1935 respectively as follows:—

	1934		1935	
	Pairs	G.U.	Pairs	G.U.
Total imports .. . . .	24,153	36,508	28,974	31,533
Great Britain .. . . .	8,254	16,988	12,535	13,470
Japan .. . . .	6,453	3,138	6,337	2,749
Czechoslovakia .. . . .	2,869	4,435	4,403	6,105
Germany .. . . .	2,324	4,887	2,221	3,862
France .. . . .	1,662	2,877	1,741	3,133
Other countries .. . . .	2,607	4,185	1,743	2,225

It is estimated that about 70 per cent of the totals was absorbed by Shanghai. As in the case of leather footwear, the demand for imported gloves is dependent mainly on the foreign population.

Great Britain and Japan are the leading suppliers. The British gloves sold here consist mainly of world-renowned brands of men's gloves in the better qualities. The imports from Japan are men's and women's gloves of inferior quality which sell at very low prices to the Chinese and also to Japanese residents in China, both of whom require a smaller size of glove than the average foreigner. The limited imports from Continental countries, particularly France, are made up of high-grade kid and suede ladies' gloves for the foreign population.

#### OTHER LEATHER GOODS

"Leather manufactures not otherwise classified" previous to 1934 included gloves, the imports of which have just been recorded separately for the past two years in the foregoing table. Imports of all other leather manufactures not other-

wise recorded (excluding gloves) are now given for the years 1934 and 1935 respectively as follows:—

	1934 G.U.	1935 G.U.
Total imports . . . . .	83,819	70,596
Japan . . . . .	30,086	27,473
Great Britain . . . . .	21,290	17,714
United States . . . . .	20,206	14,936
Germany . . . . .	2,389	2,498
Hongkong . . . . .	3,071	1,376
Italy . . . . .	2,062	397
Other countries . . . . .	5,177	6,208

Here again the figures by ports are not given in the customs statistics, but it may be taken that Shanghai was responsible for approximately two-thirds of the total imports.

Although the use of manufactured leather articles is yearly growing more widespread among the Chinese, the prospects for foreign manufacturers are not encouraging. Broadly speaking, nearly every article of leather in common use is now being produced in Shanghai by either Chinese or foreign firms, including leather suit-cases, valises, bill-folds, purses, manicure sets, jewel-cases, and hand-bags. Although the quality of most of these articles does not compare with that of foreign products, except in the cheaper lines, the prices are in all cases very low, at times amounting to only a fraction of the cost of the imported articles.

#### METHODS OF SALE

As far as the general importation of leather is concerned, quotations are as a rule f.o.b. shipping port or c.i.f. Shanghai; f.o.b. tannery is the exception. A few Shanghai firms purchase outright for their own account, but the bulk of the business is on an indent basis—that is to say, the importer quotes the Chinese dealers a c.i.f. price, including his commission, and orders only against the orders received from the dealers.

Although small consignments are occasionally necessary to introduce a new brand, this method is very risky and is not recommended for the Shanghai market.

#### CHANNELS OF DISTRIBUTION

While the channels of trade in this market for some years past have been undergoing a change and it is becoming evident that the majority of foreign exporters will eventually have to deal to an increasing extent direct with Chinese firms, the time has not yet come when leather can be successfully sold in this way. Native Chinese firms can undoubtedly quote lower prices owing to their much lower overhead, and they have also closer contact with the actual consumers. The disadvantages, however, would seem to outweigh the advantages. In this connection, the number of purely Chinese companies in a position adequately to finance foreign trade is still limited, and this appears to be specially true of those engaged in the leather business. It is still difficult for Chinese firms engaged in this trade to arrange irrevocable confirmed credits regularly, and the shipment of goods without such credits, while reasonably safe in the case of established foreign houses, is extremely risky with native firms owing to their limited means. Moreover, it is practically impossible to obtain reliable credit information concerning such firms.

Finally, perhaps the strongest argument in favour of selling in this market to a foreign firm is in respect to claims. These are frequent in many Chinese trades, but in the case of leather are a constant problem.

Uniformity in grading is essential if the goodwill of the Chinese buyer is to be retained, as it is quite as risky to supply a grade too high as one that is too low; in the former case expectations are raised which result in claims when the real grade is supplied in a subsequent shipment. Like the majority of commodi-

ties sold in China, leather is purchased a few units at a time and is subjected to close examination by the Chinese dealers, and even the smallest faults serve as a basis on which to make claims whenever the market turns against the dealer.

### CUSTOMS DUTIES

Below are given the customs import duties applicable to the main types of leather and leather goods mentioned in this report:—

	Per Cent Ad Val.
Sole leather . . . . .	20
Sole splits . . . . .	20
Patent, enamelled or japanned, in calf, kid, cow, or others . . . . .	20
Calf hides . . . . .	7½
Leather belting . . . . .	12½
Boots and shoes . . . . .	30
Gloves . . . . .	30
Other manufactures of leather . . . . .	30

The above duties are all subject to a surcharge of 10 per cent of the duty.

Interested Canadian firms requiring further information in regard to any of the commodities referred to in this report are invited to communicate with the Canadian Trade Commissioner at Shanghai.

## WHEAT AND FLOUR TRADE REGULATION IN EUROPEAN COUNTRIES

### I. United Kingdom

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

[Subjoined is the first of a series of reports on "Wheat and Flour Trade Regulation in European Countries," which will be issued later in pamphlet form]

#### WHEAT

London, July 8, 1936.—In 1932 the Government of the United Kingdom introduced a scheme, which is still in effect, for subsidizing the domestic production of wheat. This plan does not involve any quantitative regulation of imports, and although wheat of foreign origin is dutiable under the Ottawa Agreements at the rate of 2s. per quarter of 480 pounds (approximately 6 cents per bushel), there is otherwise no limitation of purchases of wheat from abroad. Under the Agreements wheat grown in Canada or other Empire countries is admitted into the United Kingdom free, provided that the usual evidence of origin and consignment from such Empire countries is produced to the United Kingdom Customs authorities at the time of entry.

#### WHEAT ACT, 1932

The domestic wheat subsidy is operated through machinery established under the Wheat Act of 1932, the administration of which is vested in the Wheat Commission. Under the Act every registered grower of wheat in the United Kingdom is entitled to receive, in respect of his certified sales of millable wheat, a minimum price of 10s. per cwt. (112 pounds). As a bushel of English wheat is normally reckoned to weigh 63 pounds, this is approximately equivalent to \$1.36 a bushel.

The definition of "millable" is prescribed as follows:—

Millable wheat shall be wheat which is sweet and in fair merchantable condition, commercially clean as regards admixture and tailings, and commercially free from heated or mouldy grains or objectionable taint, and capable of being manufactured into a sound and sweet flour fit for human consumption having regard to the customary methods employed in the milling industry for cleaning and conditioning wheat.

If wheat does not comply with this definition but can be made to do so by cleaning or conditioning, the grower must, before selling it, apply to the Com-

mission for a permit to remove the wheat from the farm for the necessary treatment.

The difference between the standard price (10s. per cwt.) and the "ascertained average price"—which represents the average price obtained by growers throughout the United Kingdom in a particular year—determines the amount of the "deficiency payment," less a small deduction for administration expenses. The present "ascertained average price" is 5s. 7d. per cwt. (77 cents per bushel). The price deficit is therefore 4s. 5d. per cwt. (59 cents per bushel), and this is the amount which, it is estimated, will be due to wheat growers in respect to the present cereal year, although it is subject to final adjustment. The final deficiency payment for the 1934-35 crop year was approximately 5s. 1d. per cwt. (69 cents per bushel). The Wheat Commission possesses and exercises the authority to make part payments of the subsidy to farmers in advance during the course of the cereal year.

A feature of the scheme which is generally commended is that it encourages the farmer to get the best possible price for his wheat, because if he sells his wheat for more than the "ascertained average price" he will net a sum in excess of the standard price of 10s. per cwt.

The deficiency payments are made from the Wheat Fund, which derives its revenue from a levy known as the "Wheat Quota Payment," payable by millers and importers of flour in respect of all flour, whether home milled or imported, delivered by them in the United Kingdom. The levy at the present time is 14·4d. (28·8 cents) per cwt. of 112 pounds of flour.

Agriculturists in the United Kingdom appear to be generally satisfied with the administration of the Wheat Act, and the figures of production show that the objects of this legislation are being achieved. In 1931 the acreage under wheat in the United Kingdom was the lowest on record, namely, 1,250,000 acres, about half the area devoted to wheat in the peak year of 1918. In 1932, in anticipation of the Act, the wheat acreage had increased to 1,343,000 acres, producing 41,530,000 bushels, and in 1933—the first complete year during which the Act was effective—to 1,745,000 acres, yielding 59,450,000 bushels. In 1934 the area was 1,866,000 acres and the production 66,450,000 bushels. In 1935 the acreage still further expanded to 1,882,095 acres, but there was a slight falling off in the production to 62,330,000 bushels, due to less favourable crop conditions.

### FLOUR

There is no regulation of flour imports into the United Kingdom. Flour of foreign production is assessed at a 10 per cent ad valorem duty under the Import Duties Act. Canadian and other Empire flour qualifying for Imperial Preference is exempt from this duty under the Ottawa Agreements. Importers of flour, including Canadian, and also domestic flour millers, are required to pay the levy imposed under the Wheat Act, 1932, as described above.

## ECONOMIC CONDITIONS IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, July 3, 1936.—At the end of the half-year all indications are that the economic recovery in Scotland, which was so marked six months ago, has been more than sustained.

### SHIPBUILDING

The ship tonnage under construction on the Clyde and other centres is the highest for several years; this industry is approaching boom conditions. There are now about 200 ships on order in Scottish yards, of which the Clyde alone accounts for about 150, including 30 warships, and the prospects for many additional contracts are favourable.

Clyde shipyards during June launched vessels aggregating 29,485 tons, the second most productive month of the year. For the half-year the output has been forty-eight vessels of 126,502 tons, as against 92,445 tons in the corresponding period of last year. Work on hand is stated to be far in excess of that of any other shipbuilding centre in the world. Some yards have twice as many ships on order as they have building berths. In some Clyde yards the annual "Fair" holidays will be restricted to cope with the tonnage on order.

### IRON AND STEEL

The activity in shipbuilding extends to engineering and the iron and steel industries, the latter in particular working at high pressure to fill orders. Indeed, the Scottish steel industry, like its counterpart in England, is probably busier than it has been at any time since shortly after the war. The demand is greatest from the shipyards for plates and sections and from the rerolling mills for semi-finished material, but there is also much activity in the supply of structural steel for building. The erection of factories and works of various kinds in Glasgow and elsewhere in the West of Scotland is absorbing great quantities of structural steel.

The Glasgow district is also supplying a large quantity of steel for Cape Town for the supply of boilers, mechanical stokers, and pre-heating plant to the value of £500,000. There is also a very heavy demand upon the steel sheet makers for sheets for the motor car industry. There are now fifteen blast furnaces in operation in Scotland; one was started up at Shotts in June.

### UNEMPLOYMENT

This great improvement in the heavy industries, the greatest source of employment, is of course reflected in the growing volume of employment, the rate of increase in Scotland since the beginning of the year having been about 10,000 a month. Nevertheless, the number of unemployed in Scotland on May 25 was 272,768 (compared with 288,419 at the end of April, and 310,839 in May last year). In view of this large total, of which 90,506 were in Glasgow, the recently appointed Scottish Economic Committee is giving its attention to exploring the possibility of broadening the basis of prosperity and absorbing surplus workers from the shipyards and other established industries by setting up a great variety of industries. In Glasgow and the West of Scotland there are about 2,000 industries (this of course means 2,000 different kinds of manufactures, and not industrial establishments), but these alone are not sufficient to provide employment for all those out of work.

### WHISKY TRADE

Despite the continuance of the heavy burden of the high excise tax of 72s. 6d. per gallon on whisky, business in the home trade has shown an improvement this year, doubtless the result of better economic conditions and the increased influx of tourists. The export trade, particularly to the United States, has also shown an improvement.

### TEXTILES

For some months past tweed and hosiery manufacturers (in the Border districts), particularly the latter, have been slack; in most cases short-time in the factory has been the rule; this does not apply to some of the tweed mills. With the prolonged cold weather in the spring merchants delayed and in some cases reduced their spring orders to the hosiery and underwear manufacturers, who have accordingly had a rather lean time this year. As usual, however, the production of knitted goods for outerwear has been well maintained and the workers have been fully employed.

In the Dundee jute trade prices all round—for raw jute, for yarns and manufactured jute—have been drooping. There has been a lack of demand for finished goods, and production in many cases has been curtailed. Trade disputes between Calcutta mills have aggravated the position here and prospects for the moment are not promising.

All the linoleum mills at Kirkcaldy are fully occupied with orders from home and abroad and prospects are very favourable.

## HOUSING PROBLEM IN THE IRISH FREE STATE

A. J. TINGLEY, ASSISTANT TRADE COMMISSIONER

Dublin, June 24, 1936.—The housing problem in the Irish Free State falls mainly into two categories—viz., the housing of persons living in slums or unhealthy homes, and the housing of persons living in overcrowded conditions owing to the general housing shortage. As in most countries, the persons living in slums and unhealthy houses are persons unable to pay economic rents, and the question of their housing is a social problem dealt with by the State through the local authorities. The general housing shortage is attributable to the diversion of private building enterprise into other channels during the Great War, the high costs of building in subsequent years, the restriction of emigration, and the increasing ratio of the urban population.

### ESTIMATED REQUIREMENTS

The total present need of persons of the working class in urban areas in the Irish Free State is estimated at 43,000 houses, to which may be added about 2,000 houses needed to meet the demands of the middle classes. In rural areas approximately 20,000 dwellings are required by agricultural workers; the total housing needs of the rural population are estimated at 30,000 houses. It will be seen therefore that 75,000 new houses are needed to solve the housing problem in the Free State.

### STATE GRANTS

After the establishment of the Irish Free State in 1922, steps were taken to revive the activities of private enterprise by offering State grants to private individuals and public building societies for the erection of houses. The high building costs which prevailed militated, however, against any substantial progress, and although 26,000 houses were provided in the decade 1922-32, little if anything was done to ameliorate the condition of workers living in town slums or in unhealthy houses in rural areas. Towards the provision of these 26,000 houses, State grants amounting to £2,500,000 were made. Since 1932, grants amounting to £1,400,000 have been made by the Government, and the text of the Housing (Amendment) Bill, 1936, issued on June 11, shows that a further £700,000 is to be made available. Under the terms of this Bill, the aggregate authorization for housing grants and subsidies may be £2,800,000 up to April 1, 1938.

### PRESENT STATE HOUSING SUBSIDIES

Since 1932 the eradication of slums and unsuitable houses has been the policy of the Government. To this end, substantial building subsidies are offered to local authorities. At the same time, increased grants and loans are being made available for individuals and public building societies in order to cope with the needs of persons not living in slums. Under the present scheme, therefore, local authorities are free to concentrate on the clearance of slum areas and the rehousing of persons displaced from them.

For this purpose loans are made available, repayable in 35 years by an annuity of £5 17s. 9½d., inclusive of principal and interest, and of this annuity, two-thirds is paid by the State by way of subsidy. Local authorities are empowered to acquire slum properties at site value, less cost of clearance; so this provision will enable them to clear out all the unhealthy areas in their districts and provide modern homes for the occupants of these areas at or near pre-war rents.

For the housing of persons not living in slums, but at present inadequately housed, local authorities are given loans on the same terms of repayment, and one-third of the loan charges is paid by the State by way of subsidy. Local authorities are encouraged to provide houses for this class only to such an extent as is necessary to supplement the activities of private enterprise. With the aid of these grants and loans, a private individual with little capital of his own can now provide himself with a house, and the amount of the annual loan charges and other outgoings will be considerably less than the rent he would have to pay in the present market.

Public building societies in urban areas are afforded combined grants from the State and the local authorities of one-third of the cost of houses, and are given State loans of half the cost, leaving it to the society to raise the remaining one-sixth of the cost. Houses provided under this scheme must be let to persons of the working classes at rents approved of by the State department of local government.

The State grants provided under the Housing Acts, 1932-36, for the erection and reconstruction of houses are as follows:—

(1) Grants for the erection of new dwelling houses, including suitably planned self-contained flats:—

(a) To persons and public building societies in urban areas—

For houses begun on or after May 12, 1932, and completed before April 1, 1936, £50 per house.

For houses completed before April 1, 1937, £45 per house.

(b) To persons in rural areas—

For houses completed before April 1, 1937, and erected for persons in agricultural occupations, from £60 to £70 per house, according to whether or not the rateable value of his property exceeds £15.

In the case of a house erected by any other person, £45 per house.

(2) State grants of from £70 to £80 per house are made to public building societies in rural areas, for the erection of houses for persons in agricultural occupations.

(3) In addition, grants not exceeding £40 per house are offered to small farmers and agricultural labourers reconstructing houses in their own occupation. These reconstruction grants are available only to persons who derive their livelihood solely or mainly from the pursuit of agriculture, and are in occupation of agricultural land and buildings, the rateable value of which does not exceed £25, or to an agricultural labourer working for hire in a rural district. Larger State grants are given to the small farmers and agricultural labourers than are given to other members of the rural community, because it is among the small farmers that the greatest need exists.

(The reconstruction of houses by small farmers and agricultural workers in most cases takes the form of raising the walls of an existing thatched house and putting on a slate roof, and, in a number of cases, additional rooms are provided, the amount of the grant covering practically the entire cost of the work.)

#### COST AND WORKING OF THE SCHEME

The capital cost of housing schemes undertaken by urban authorities, with the exception of certain boroughs, is £300 per house for rehousing schemes, and £350 per house for ordinary schemes.

A house costing £300, if provided for rehousing purposes and thereby qualifying for subsidy at the rate of 66 $\frac{2}{3}$  per cent of loan charges, could be rented as follows:—

	£	s.	d.
Loan charges . . . . .	17	13	4
Deduct subsidy (66 $\frac{2}{3}$ per cent) . . . . .	11	15	7
	<hr/>		
Add for maintenance, etc. . . . .	5	17	9
	3	0	0
	<hr/>		
If let at 3s. per week . . . . .	8	17	9
	7	16	0
	<hr/>		
The loss falling on the rates is . . . . .	1	1	9
	<hr/>		
If let at 2s. per week . . . . .	6	10	0
The loss falling on the rates is . . . . .	2	7	9

For other housing schemes (for persons unable to pay the full economic rent) a house built at £350, qualifying for subsidy at the rate of 33 $\frac{1}{3}$  per cent of loan charges, could be rented at 6s. 6d. weekly, with very little loss, or at 5s. 6d. weekly with an annual loss, falling on the rates, of £2 18s. In the actual letting of the houses an effort is made to secure rents which will keep the loss falling on the rates within a reasonable minimum.

The all-in cost of the average State-assisted house is made up as follows: cost of land, 3·3 per cent; cost of development, 6·3; cost of building, 85·4; and cost of fees and other charges, 5 per cent. The majority of the houses erected by local authorities are four-roomed houses, with floor area of from 600 to 700 square feet.

The capital cost of labourers' cottages built by local authorities in rural areas is limited for subsidy purposes to £300. A house costing £300 can be let at a weekly rent of 2s. inclusive of rates, with the following financial result:—

	£	s.	d.
Loan charges on £300 . . . . .	17	13	4
Add cost of maintenance, etc. . . . .	2	10	0
Add rates . . . . .	1	5	0
	<hr/>		
Total outgoings . . . . .	21	8	4
Deduct state contribution at 60 per cent of loan charges..£10 12s.			
Deduct tenant's rent . . . . . 5 4s.			
	<hr/>		
	15	16	0
	<hr/>		
Net annual loss in letting . . . . .	5	12	4

The cost of agricultural land suitable for building at present ranges from £12 to £100 per acre; from £35 to £40 per acre may be regarded as medium prices.

It is estimated that the total capital expenditure to be incurred by the State in the solution of the housing problem is £20,000,000. Of this sum, £2,000,000 will be expended in free grants, and £18,000,000 by way of loans. Towards the annual charges on the amount issued by way of loan, State subsidies amounting to about £600,000 per annum will be paid during the 35-year period of the loan charges. At the present rate of progress in the provision of houses, the total needs of the country are expected to be supplied within a period of ten years from 1932.

#### PROGRESS IN HOUSE CONSTRUCTION

The rate of progress in construction of subsidized houses in recent years is summarized as follows. Since the founding of the Free State in 1922, 28,754 houses have been erected in municipal areas by local authorities, of which 11,259 houses have been erected since 1932. A total of 48,203 labourers'

cottages has been erected by local authorities, with the aid of State subsidies, of which 5,636 cottages have been erected since 1932.

The total number of houses erected in Saorstat Eireann by private persons and public building societies, with the aid of State grants, since 1922, is 29,607, of which 12,869 have been erected since 1932. In addition, 5,098 houses have been reconstructed by private persons with the aid of State grants since 1932.

The total number of houses erected with State aid in the year 1935 was 14,081. In addition, the Corporation of Dublin erected 1,085 houses as against 910 houses in 1934, and 251 houses in 1933.

In addition to the above, local authorities have 6,477 houses under construction, 2,485 to be commenced shortly, and 2,015 awaiting tenders. Sites have been acquired and plans approved in respect of 1,813 houses, and schemes are in course of preparation for a further 14,247 houses. The great majority of these houses are to rehouse persons displaced from slums or unhealthy houses, the clearance of which is proceeding concurrently with the erection of new houses.

The greatest slum problem exists in Dublin City. The Dublin Corporation has acquired extensive undeveloped sites on the outskirts of the city, and is providing houses in attractive suburban surroundings to rehouse the persons displaced from slum areas which are being cleared. For persons whose employment necessitates their living in the heart of the city, large blocks of four-storey flats are being erected on the cleared areas (formerly slums); over 1,000 flats are under construction or completed. The majority of flats are three-roomed, with kitchenette, bath, hot water, and electric lighting. These flats are let at inclusive rents of 6s. weekly.

The measures adopted by the Government to deal with the housing question in the Irish Free State are comprehensive, and the Ten Year Building Plan, launched in 1932, is in advance of schedule. The ultimate aim of the housing authorities is an all-Irish house, and considerable progress has been made in this direction. In fact, subsidies are granted to the building and utility societies only when the building materials used are, wherever possible and practicable, of Saorstat Eireann manufacture or origin.

#### RESTRICTIONS ON IMPORTED SUPPLIES

The result is seen in the large increase in the number of building materials factories within the past four years, especially those producing bricks, concrete, cement, tiles, and slates. Sand, gravel, and stone quarries have also shared in the increased activity. Native labour is employed on all State-aided schemes, and since 1932 over 6,000 men have been employed directly or otherwise through the building industry. Floorings, window frames, doors, mouldings, etc., of Saorstat manufacture are specified for all State-assisted houses. The roof timbers are to be of first quality imported spruce, and window frames and sashes of first-quality red deal, manufactured locally.

In addition to the Government restrictions compelling the use of local products wherever possible, there are other restrictions imposed on imported materials. The trade unions in the Irish Free State will not handle imported doors, window frames or sashes, or other imported manufactured joinery. There is, in addition, a flat rate of duty of 50 per cent ad valorem on all imported manufactured doors, window frames, moulding, or other builders' woodwork. The tariff on imported furniture either hardwood or softwood is 75 per cent ad valorem, full rate, and 50 per cent preferential rate.

Floorings, planed or dressed, are dutiable at a flat rate of 50 per cent, although a limited amount of manufactured maple flooring is still allowed in under licence free of duty. Birch flooring is unknown in this country. Wall and fibre boards were recently made dutiable at the rate of 6d. per square

yard. No imported wallboard is permitted to be used in State-assisted houses, although it is generally employed in the construction of theatres, cinemas, and churches.

Owing to the restrictions placed upon many of the building materials used in this country, the opportunities for Canadian exporters of timber are not great. Spruce is used for roof timbers and floor joists, and Douglas fir for stair treads and stair strings, and for other purposes which require exceptional lengths and widths. For most purposes, however, Archangel red- or Baltic white-wood is supplied. No objection is taken to the use of Canadian timber as an alternative to these woods, provided that it is in every way as suitable and competitive in price, and that local woods are not available.

A standard outline specification of the various building materials required for houses constructed under the Building Act, 1932, is on file with the Department of Trade and Commerce, Ottawa, for the benefit of any interested Canadian firms.

### **ALSIKE MARKET PROSPECTS IN NORTHERN IRELAND**

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Belfast, July 7, 1936.—Inquiries from the seed merchants here indicate that there is no carry-over of alsike from last year in Northern Ireland. The market therefore looks forward with interest to Canadian offerings for the coming season. The Belfast merchants compete with those of the United Kingdom for a share of that market, and normally, while only 100 tons are consumed in Northern Ireland, the re-export market amounts to 400 tons annually. The chief competition in imported alsike is from the United States. Last year supplies from that source were stated to be of better quality, although higher in price, than Canadian alsike, which was also short crop so far as export was concerned. Alsike from the Dominion enters free of duty; imports from foreign countries are assessed at 10 per cent ad valorem. Average prices run from 65s. to 70s. per cwt. (112 pounds) c.i.f. Belfast for fairly good-quality alsike. If the price is too high there is a tendency for consumption to fall and for farmers to turn to cheaper kinds of grass seed. Last year's average price of 90s. c.i.f. for best-quality United States seed was considered by merchants here to be very high.

A list of the names and addresses of Belfast alsike importers is on file in the Department of Trade and Commerce at Ottawa, and may be obtained on application by interested Canadian exporters. Quotations should be c.i.f. and in sterling and should be accompanied by samples.

### **MERCHANDISING OF DRUG STORE REQUIREMENTS IN NEW ZEALAND**

H. L. E. PRIESTMAN, ASSISTANT TRADE COMMISSIONER

Auckland, June 19, 1936.—The Industries and Commerce Committee of the New Zealand House of Representatives has just submitted recommendations to Parliament as a result of their inquiries in May and June, 1936, into the operation of chemists' shops in New Zealand.

The drug trade has become alarmed by the opening of one branch of a subsidiary of a well-known English firm of chemists, who had announced their intention of opening more branches in the principal cities of New Zealand, and this has led to petitions from individual chemists against the operation of pharmacy chain stores, which has received investigation and consideration by the committee.

Chemists' shops in New Zealand are mainly conducted as independent stores in a relatively conservative manner, and their operations are customarily confined rather strictly to the compounding of prescriptions, and to the sale of drugs, pharmaceuticals, chemists' sundries, and patent medicines, with the addition of some cosmetics, beauty preparations, and toilet articles. In consequence, chemists in New Zealand do not stock many lines commonly sold by drug stores in Canada as, for example, tobaccos, stationery, confectionery, and soda fountain products. Another feature that is noticeably different from Canadian custom is the extent to which the public consult the chemist for medical advice and purchase their requirements or follow the treatment prescribed by the advice offered.

#### INDUSTRIES AND COMMERCE COMMITTEE'S RECOMMENDATIONS

The committee recommends that the organization of chemists' services be regulated by licence under the control of the Minister of Industries and Commerce. It also suggests that the operation of large-scale pharmacy companies in New Zealand be not extended for a period of six months, in order to enable existing chemists collectively to organize and plan their operations with the object of reducing the present scale of prices to the consumer, while at the same time ensuring an adequate payment for services rendered.

On the expiry of the specified period, the committee recommends that the position be reviewed by the Government, and should it be proved that existing chemists have not organized so as to adjust prices satisfactorily, licences may be issued to such companies or persons as may be determined by the Minister of Industries and Commerce.

Evidence submitted tended to prove that present prescription prices of private chemists were considerably higher than those proposed or in operation by the chain store organization, and imposed an unnecessarily heavy burden on the public, arising from overhead costs consequent on the large number of dispensing establishments in operation, whereas the mass production and manufacturing facilities of the large firm resulted in lower prices than those of the independent chemists.

The closing recommendations of the committee were that all chemists employing assistants should be required to employ a specified proportion of qualified assistants; and finally, that the Government should investigate the possibility of the establishment of a national pharmacy service. It is inferred from the observations of the chairman of the committee that the last suggestion is linked up with the possibility of a national health insurance scheme which might include operation of the pharmaceutical services of the country.

#### POSSIBLE CHANGES IN CHANNELS OF TRADE

The tabling of this report in Parliament has, of course, no bearing upon whether or not the Government will see fit to act on the recommendations, but it provides a clue to alterations that may occur in the channels of trade. It is surmised that more movement will take place towards combined buying for the independent retail chemists, which may possibly be associated with similar action on the part of wholesale and manufacturing chemists, or the larger wholesalers may become linked up with groups of independent stores to a larger degree than at present. The tendency is noticed for drug wholesalers and manufacturing chemists to engage more actively in the packaging of nationally or internationally known lines that are made under licence or imported in bulk, as well as their own proprietary preparations. The majority of such firms find their equipment sufficient to handle a wider assortment of preparations.

#### OPENINGS FOR CANADIAN FIRMS

Buying of drugs and chemicals is largely done in London, England, because of the convenience with which drugs and chemicals can be obtained in the

United Kingdom, irrespective of the country of origin. However, the encouragement that is being afforded to, or is forecast for, local manufacturing, may suggest to some Canadian firms the possibility of supplying New Zealand wholesale and manufacturing chemists with a larger proportion of their requirements than has hitherto been the case. The possibility of sale of bulk drugs and pharmaceuticals, cosmetics, patent medicines, tablets, bottles, jars, closures, collapsible tubes, and other containers is worthy of investigation. The opportunities for sale of paper, cardboard, and other commodities used in making packets and containers might also repay investigation.

One of the changes that may accompany the trend towards improvement of their services is the interest in modernization of chemists' shops. Ideas are largely obtained from trade journals published overseas, and this opens up the possibility of sales of materials for making store-fronts, as well as for suitable store equipment and appliances for such shops as undergo modernization.

It is realized that some Canadian firms will explore the trade possibilities through their appointed agents in New Zealand, but those without agents or who believe that they are in a position to participate more fully in this market should forward full particulars of their products to the Canadian Trade Commissioner at Auckland.

It would save time if firms desirous of obtaining reports on the market prospects in New Zealand would provide in their initial correspondence full details for comparative purposes of their export prices. The market is quite keenly competitive, but though many lines of drugs are admitted free of duty from all countries, there are numerous Canadian products upon which there is a substantial advantage accorded under the British preferential tariff.

## AUSTRALIAN WHEAT AND FLOUR

M. T. STEWART, ACTING TRADE COMMISSIONER

Melbourne, June 17, 1936.—Shipments of wheat and flour from Australia for the period from December 1 to the week ending June 8 totalled 65,425,364 bushels as compared with 62,650,640 bushels for the corresponding period of the previous season. The demand for Australian wheat overseas continues to be very slow, and practically the entire business recently transacted has consisted of the realization of wheat afloat unsold, this being accomplished at prices which are quite out of line compared with the values ruling in Australia. The price of wheat within Australia is about 2d. to 3d. per bushel above the overseas parity, and as Australian wheat is too dear compared with wheat from other countries, particularly Canada, it is not sought at present prices.

Japan purchased a few parcels of wheat during the past month, this being made possible by some extremely cheap freight becoming available on scheduled steamers, which in some cases was booked as low as 8s. per ton Australian currency, while the fixed minimum rates for full cargoes from Australia are about 14s. English currency to China and Japan. Shanghai is still out of the market, and the present indications are that the volume of shipments to all destinations will be light once the present demands have been filled. However, the stocks of wheat still available in Australia not committed for export are now small, estimated at about 300,000 tons. The price to growers in Australia is now approximately 3s. per bushel Australian currency, equivalent to 60 cents Canadian, delivered at country sidings, the f.o.b. steamer price being approximately 3s. 8d. per bushel, equivalent to 73 cents Canadian.

The continued dry weather which lasted until the end of May was causing much anxiety to the growers and the farmers were prevented from sowing the new

crop. Fortunately, within the past fortnight good rains have fallen over the wheat belts of the four principal wheat-producing states and the prospects for the new season are now favourable for this time of the year. The late rains, however, may cause a decrease in acreage, and it is thought that the acreage will not be as large as was originally anticipated. According to the summary of Australian statistics for the first quarter of the calendar year issued at Canberra on June 3, the area under wheat for grain for the season of 1935-36 is estimated at 11,884,000 acres with a probable yield of 143,000,000 bushels, as compared with an area of 12,544,000 acres and a yield of 133,393,000 bushels last season.

### FLOUR

The export flour market continues featureless and there is little demand from the usual importing centres. One cargo of about 6,000 tons has recently been booked for Dairen for immediate shipment, but there are no attractive inquiries and the local millers are uneasy over the possibility of retaliatory action on the part of Japan against the restrictions on certain imports imposed by the Australian Government on May 22 last. Export quotations are fixed at £7 2s. 6d. per ton of 2,000 pounds packed in 150-pound sacks, equivalent to \$28.61 Canadian, and £7 5s. in 49-pound calico bags, equivalent to \$29.11 Canadian, the local price for flour being £9 2s. 6d. per ton of 2,000 pounds.

Chartering is negative as shippers are not entering into new contracts. The minimum freight rates for new cargoes are unchanged, but parcel rates for July have been increased to 26s. 3d. and for August and September the rates are fixed at 25s. English currency per ton of 2,240 pounds.

### BULK HANDLING IN VICTORIA

The Grain Elevators Board have submitted to the State Cabinet plans and estimates for an erection of country and terminal elevators throughout Victoria for the bulk handling of wheat. The plans provide for the construction of elevators at 138 selected country stations and terminal elevators at Geelong and Williamstown, the estimated cost of the project being fixed at £1,881,348. The storage capacity of the country elevators to be erected would amount to 15,345,000 bushels, and a 2,250,000-bushel terminal elevator is contemplated for Geelong and one with a 2,000,000-bushel capacity for Williamstown. Each terminal can receive wheat from trucks at the rate of 20,000 bushels an hour and load into ships at the rate of 64,000 bushels an hour, which would enable a complete cargo to be loaded at either terminal in one day.

The total capital cost of the project is distributed as follows:—

138 country elevators, including road approaches.. . . .	£ 864,670
Terminals—Geelong and Williamstown .....	717,800
Alterations and additions to railway tracks, wheat-proofing trucks, administration and superintendence .. . . .	218,878
Interest during construction period .. . . .	80,000
Total .. . . .	£1,881,348

Handling and storage charges have not been determined, but the board has given an assurance that the handling charges will not exceed 2d. a bushel for wheat received at country elevators, with an additional ½d. a bushel for all wheat passing through terminal elevators.

The State Cabinet has not given final approval of the plan and a sub-committee has been appointed to discuss the matter further.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT  
EFFECTIVE FROM JANUARY 1, 1936; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF JUNE AND SIX MONTHS ENDED  
JUNE 30, 1935 AND 1936)

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS DIVISION)

Commodities	Month of June				Six months ended June				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
		\$		\$		\$		\$		
AGRICULTURAL AND VEGETABLE PRODUCTS										
Fruits—										
Apples, green or ripe.....	16	105	18,252	1,896	31	182	262	1,196	25c. per bu. 50 lbs.	15c. per bu. 50 lbs.
Strawberries, fresh.....							18,252	1,896	1c. per lb. $\frac{3}{4}$ c. per lb.	1c. per lb. $\frac{3}{4}$ c. per lb.
Grain products—										
Bran, shorts and middlings.....	294,820	326,899	302,571	236,377	1,657,670	1,982,214	1,051,918	838,203	10% ad val.	10% ad val.
Cereal foods, prepared, all kinds.....		3,154		4,481		26,699		37,192	20% ad val.	15% ad val.
Screenings.....	22,093	9,057	80,953	12,417	301,642	204,192	198,981	40,058	10% ad val.	10% ad val.
Hay.....	2,536	25,231	3,332	593	67,632	672,987	3,640	23,235	\$5 per ton (2,000 lbs.).	\$3 per ton (2,000 lbs.).
Maple sugar.....	184,630	20,810	774,489	129,586	639,881	77,402	3,791,768	649,379	6c. per lb.	4c. per lb.
Seeds—										
Clover seed, alfalfa.....			12	144	1,049	12,981	985	10,417	8c. per lb.	4c. per lb.
Clover seed, alsike.....			14	14	12	88	313	2,919	8c. per lb.	4c. per lb.
Grass seed.....	37	148	482	619	65,103	412,514	55,171	59,984	2c. per lb.	1c. per lb. (mainly timothy).
Certified seed potatoes (a).....			20,204	20,680					75c. per 100 lbs.	45c. Nov. 30, if certified seed;
										60c. per 100 lbs., Dec. 1 to last day of Feb., if certified seed;
	22,950	6,638			232,023	57,808	548,923	516,643		75c. per 100 lbs. on imports of certified seed in excess of 750,000 bu. during each twelve-month period, beginning Dec. 1, in any year.
Potatoes, n.o.p. (b).....			183,028	197,409				75c. per 100 lbs.	75c. per 100 lbs.	
Turnips.....	23,825	9,352	1,405	954	848,365	187,593	1,171,547	365,425	25c. per 100 lbs.	12 $\frac{1}{2}$ c. per 100 lbs.
Whiskey.....	105,992	601,904	159,212	784,001	826,659	4,687,535	2,006,334	9,685,846	\$5 per pf. gal.	\$2.50 per pf. gal. if aged in wooden containers for at least four years; \$5 per pf. gal. if otherwise.
ANIMALS AND ANIMAL PRODUCTS										
Animals, living—										
Dairy cattle—										
Weighing 175 to 700 lbs. (a).....			301	15,008				210,998	2 $\frac{1}{2}$ c. per lb., 175 to 700 lbs.	2 $\frac{1}{2}$ c. per lb., 175 to 700 lbs.
Weighing over 700 lbs. (a).....	833	50,299	857	50,372	2,710	168,546	3,595	3c. per lb. if over 700 lbs.	3c. per lb. if over 700 lbs.	3c. per lb. if over 700 lbs. on imports in excess of 20,000 head during any calendar year.

Cattle, n.o.p.— Weighing less than 175 lbs. (a).....No.		12,932	184,474					2½ c. per lb., if less than 175 lbs.	1½ c. per lb., if less than 175 lbs.	2½ c. per lb., if less than 175 lbs.
Weighing 175 to 700 lbs. (a).....No.		12,236	596,359	1,736	36,221	70,360	4,036,110	151,365	6,383,165	2½ c. per lb., if 175 to 700 lbs.
Weighing over 700 lbs. (a).....No.				21,770	988,197					3c. per lb., if over 700 lbs.
Horses, n.o.p.....No.		412	56,358	1,552	190,911	2,904		12,654	1,538,467	\$30 per head, if valued at not more than \$150; 20% ad val. if valued more than \$150.
Poultry, n.o.p.....No.		2,038	725	31,281	13,709	12,563	3,817	122,678	70,008	8c. per lb., if chickens, ducks, geese, turkeys, and guineas.
Fish, fresh and frozen—										
Clams, fresh.....Cwt.		5,905	7,317	2,202	4,055	21,203	19,318	22,597	21,170	Free.
Belts, fresh and frozen.....Cwt.		252	1,134	335	1,357	2,833	2,833	874	4,472	1c. per lb.
Halibut, fresh and frozen.....Cwt.		1,703	13,537	3,141	28,868	15,049	148,246	21,325	190,042	2c. per lb.
Herring, sea, fresh and frozen.....Cwt.		17,470	14,422	12,189	8,836	76,760	84,841	30,555	48,475	Free.
Salmon or lake trout, fresh and frozen.....Cwt.		2,978	29,030	3,338	34,281	8,428	86,838	10,973	114,356	1c. per lb.
Lobsters, fresh.....Cwt.		16,250	246,895	23,009	363,647	50,775	907,417	60,959	1,210,971	Free.
Oysters, fresh.....Cwt.		62	438	9	54	590	4,561	22	169	Free.
Salmon, fresh and frozen.....Cwt.		6,073	61,674	7,710	90,630	18,957	173,202	21,692	226,471	2c. per lb.
Smelts, fresh and frozen.....Cwt.		16	125	85	526	49,279	464,799	64,010	620,007	Free.
Swordfish, fresh and frozen.....Cwt.						5	50	491	6,603	2c. per lb., if not frozen; 1½ c. per lb., if frozen.
Tulibee, fresh and frozen.....Cwt.		58	310	22	98	13,113	74,527	14,835	88,251	1c. per lb.
Whitefish, fresh and frozen.....Cwt.		7,815	85,897	7,382	92,005	56,230	560,763	60,302	645,477	1c. per lb.
Fish, pickled, salted, smoked—										
Alewives, salted.....Cwt.		661	1,548	55	103	1,506	4,682	1,171	2,338	1½ c. per lb., net weight.
Herring, sea, smoked.....Cwt.		961	2,017	672	2,172	4,662	17,442	7,923	27,908	3c. lb., if boned; 1½ c. per lb., not boned.
Salmon, pickled.....Cwt.		586	9,664	36	342	2,143	31,518	250	1,732	25% ad val., not boned.
Fish, canned—										
Clams, canned.....Cwt.		63	1,391			97	1,896	2	30	23% ad val., if razor clams; 35% ad val., if other kinds.
Lobsters, canned.....Cwt.		1,636	89,964	1,274	78,916	1,914	104,793	2,028	121,808	Free.
Fur skins, undressed—										
Beaver.....No.		9,004	82,390	3,177	34,174	32,379	284,462	18,406	222,536	Free.
Mink.....No.		4,970	37,387	4,213	37,058	92,419	783,861	166,440	1,042,165	Free.
Muskrat.....No.		115,631	121,214	32,201	46,799	398,438	421,469	188,462	280,632	Free.
Wolf.....No.		1,738	12,585	2,564	27,447	17,459	125,021	36,363	298,876	Free.
Leather—										
Harness leather.....			2,819						1,405	12½% ad val.
Patent leather.....					3,135		10,777		49,084	15% ad val.

(a) Not separately shown prior to April 1, 1936. (b) Includes "certified seed potatoes" prior to April 1, 1936.

## CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES, Etc.—Concluded

Commodities	Month of June				Six months ended June				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
<b>Meats—</b>										
Poultry, dressed or undressed.....Lb.	21,256	\$ 4,065	87,296	\$ 21,696	58,368	\$ 11,119	96,412	\$ 23,893	10c. per lb.	6c. per lb., if chickens and guineas; 10c. per lb., if other poultry.
<b>Milk products—</b>										
Cheese.....Cwt.	305	5,909	3,462	48,759	2,001	35,523	35,665	476,794	7c. per lb., but not less than 25% ad val., if cheddar cheese in original loaves; 7c. per lb., but not less than 35% ad val., if other kinds of cheese.	5c. per lb., but not less than 25% ad val., if cheddar cheese in original loaves; 7c. per lb., but not less than 35% ad val., if other kinds of cheese.
Cream.....Gal.			1,380	1,723	5	5	5,796	7,818	55-6/10c. per gal. on imports in excess of 1,500,000 gals. during any calendar year.	35c. per gal.; 55-6/10c. per gal. on imports in excess of 1,500,000 gals. during any calendar year.
Whale oil.....Gal.	162,605	40,867	78,659	19,958	162,605	40,867	78,659	19,958	5c. per gal.	2½c. per gal.
<b>Wood, Wood Products and Paper</b>										
Wood and products—										
Shingle bolts of pine or cedar.....Cord	3,248	13,914	3,177	16,048	24,738	111,703	23,454	103,268	Free.	Free.
Firewood.....M	29,459	69,580	18,390	63,664	98,835	225,443	90,959	275,965	Free.	Free.
Laths.....M ft.	2,965	29,099	5,799	62,470	28,405	273,365	30,203	335,844	Free.	Free.
Masts and spars.....	10			20		63		20	\$1 per M ft. b.m., if fir; 50c. per M ft. b.m., if spruce, pine, hemlock or larch; free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.
Pickets.....M	640	4,330	387	2,731	3,210	25,309	1,951	13,444	Free.	Free.
Piling.....Tan. ft.	98,819	6,543	10,955	1,612	132,929	10,132	176,635	15,024	\$1 per M ft. b.m., if fir; 50c. per M ft. b.m., if spruce, pine, hemlock or larch; free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.
Planks and boards—										
Flooring of hardwood.....M ft.	2	110	59	3,278	276	13,090	213	10,565	Free, if other kinds.	4% ad val.
Planks and boards, softwood.....M ft.	40,428	877,352	53,755	1,154,591	131,557	3,084,556	247,888	5,408,753	\$3 per M ft. b.m. Revenue Tax if fir, spruce, pine, hemlock or larch; (a) free, if other kinds of wood, but subject to \$3 Revenue Tax per M ft. b.m.	\$3 per M ft. b.m. Revenue Tax if fir, spruce, pine, hemlock or larch; (a) free, if other kinds of wood, but subject to \$3 Revenue Tax per M ft. b.m.
Planks and boards, hardwood.....M ft.	1,126	43,891	2,474	84,828	5,945	227,308	13,762	474,210	Free, but subject to \$3 per M ft. b.m. Revenue Tax.	Free, but subject to \$1.50 per M ft. b.m. Revenue Tax.
<b>Poles—</b>										
Telegraph and telephone.....No.	32,016	82,524	26,709	66,942	107,268	291,541	91,658	256,150	Free.	Free.
Other poles.....		1,184		7,057		4,624		33,946	Free.	Free.
Posts, fence.....No.	49,196		63,572	5,712	218,881	18,971	295,977	25,194	Free.	Free.
Pulpwood.....Cord	88,901	702,907	111,607	895,281	327,421	2,127,431	327,684	2,188,839	Free.	Free.
Railroad ties.....No.	18,680	12,141	16,873	14,743	50,071	29,158	79,842	69,922	Free.	Free.
Shingles.....Square	249,531	643,632	160,172	418,339	877,274	2,155,155	929,568	2,429,333	Free.	Free.
Staves and headings.....		134		4,525		27,775		5,954	Free, if staves; 33½% ad val. if headings.	Free, if staves; 33½% ad val. if headings.

Timber, square, softwood.....	M. ft.	425	7, 793	821	15, 860	867	18, 099	3, 193	49, 975 \$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.
Timber, square, hardwood.....	M. ft.									
Wood, pulp.....	Cwt.	852, 378	1, 766, 766	1, 073, 710	2, 258, 646	4, 938, 144	10, 655, 747	6, 015, 219	17 Free.....	Free.
Paper—Newsprint.....	Cwt.	3, 469, 793	6, 012, 733	4, 211, 198	7, 434, 967	19, 171, 119	33, 178, 644	22, 247, 621	12, 384, 365 Free.....	Free.
									38, 499, 234 Free.....	Free.
IRON AND ITS PRODUCTS										
Farm implements—										
Cultivators.....	No.	129	12, 735	67	7, 581	997	86, 993	1, 368	99, 798 Free.....	Free.
Drills.....	No.	4	652	1	418	158	18, 905	340	36, 093 Free.....	Free.
Harrow and parts.....	No.		511				12, 398		42, 341 Free.....	Free.
Harvesters and binders.....	No.	100	18, 339	131	24, 491	624	115, 337	673	132, 704 Free.....	Free.
Hay rakes.....	No.	34	963	18	679	552	15, 984	109	3, 117 Free.....	Free.
Mowers and reapers.....	No.	180	11, 621	58	3, 854	1, 428	85, 821	469	27, 324 Free.....	Free.
Ploughs and parts.....	No.		40, 779		39, 850		185, 821		234, 295 Free.....	Free.
Reaper threshers.....	No.	32	16, 273	50	55, 003	46	28, 697	141	153, 501 Free.....	Free.
Parts of farm implements, n.o.p.....	No.		39, 718		25, 847		130, 606		350, 307 Free.....	Free.
Ferro-silicon.....	Ton	467	4, 522	186	1, 800	4, 052	86, 940	2, 715	61, 738 2c. per lb. on silicon content.	1½c. per lb. (on silicon content) when containing 8% or more but not less than 30% of silicon.
Ferro-manganese and other ferro-alloys										
n.o.p.....	Ton	1, 568	42, 450	2, 464	64, 001	12, 175	317, 386	14, 992	385, 887 1½c. per lb. on manganese content.	1c. per lb. (on manganese content) when containing not less than 4% of carbon.
Slates.....	Pair	3, 649	751	24, 069	16, 929	17, 271	12, 199	122, 618	74, 737 20% ad val.....	15% ad val.
NON-FERROUS METALS AND PRODUCTS										
Cobalt in ore.....	Cwt.			122	7, 295	258	9, 107	460	24, 506 Free.....	Free.
Nickel in matte or speiss.....	Cwt.	5, 577	100, 413	10, 812	194, 638	48, 724	877, 282	57, 116	1, 028, 137 Free.....	Free.
Nickel in oxide.....	Cwt.	747	14, 423	1, 194	23, 512	3, 071	60, 708	7, 840	153, 089 Free.....	Free.
NON-METALLIC MINERALS AND PRODUCTS										
Abrasives, artificial, crude.....	Cwt.	109, 018	255, 380	128, 077	332, 837	645, 811	1, 503, 425	708, 180	1, 761, 418 Free.....	Free.
Asbestos.....	Ton	3, 934	199, 198	13, 056	343, 410	24, 832	1, 264, 435	32, 897	1, 780, 308 Free.....	Free.
Asbestos sand and waste.....	Ton	6, 943	113, 573	13, 022	212, 780	34, 869	534, 845	55, 989	896, 135 Free.....	Free.
Feldspar.....	Ton	1, 715	8, 090	1, 329	9, 293	3, 223	16, 191	3, 395	21, 076 50c. per ton, if crude.....	35c. per ton, if crude.
Gypsum, crude.....	Ton	37, 650	44, 351	57, 197	66, 188	78, 536	101, 722	101, 722	113, 780 Free.....	Free.
Lime.....	Ton	10, 964	5, 237	26, 265	10, 839	54, 782	24, 338	107, 088	43, 490 Various.....	Various.
Talc.....	Cwt.	8, 843	4, 301	12, 952	6, 092	69, 971	35, 378	80, 242	40, 312 35% ad val.....	25% ad val.
CHEMICALS AND ALLIED PRODUCTS										
Acetic acid.....	Cwt.	16, 221	95, 838	14, 710	78, 702	183, 580	1, 077, 717	131, 339	708, 861 2c. per lb., if over 65%.....	1½c. per lb., if over 65%
Cyanamid.....	Cwt.	74, 039	67, 424	81, 898	77, 197	1, 429, 480	1, 537, 746	1, 478, 944	1, 540, 251 Free.....	Free.
Sulphuric acid.....	Cwt.	1, 707	954	1, 915	1, 355	8, 269	5, 506	8, 343	5, 511 Free.....	Free.
MISCELLANEOUS COMMODITIES										
Organs.....	No.						25, 040	2	6, 793 35% ad val.....	25% ad val.
Total exports of above commodities.....			13, 957, 034		17, 953, 536		77, 937, 137		98, 497, 773	
Total domestic exports to United States.....			27, 737, 932		26, 462, 157		157, 741, 651		166, 836, 015	

(a) Reduced rates not applicable to imports of Douglas fir or Western hemlock in any calendar year in excess of an aggregate quantity of 250,000,000 feet, board measure.

## COMMERCIAL NOTES FROM NEW SOUTH WALES

B. MILLIN, COMMERCIAL AGENT

### Australian Sugar Production

Australian sugar production, principally in the State of Queensland, now averages about 650,000 tons a year; the production in New South Wales last year was 36,453 tons. The increased yield in recent years is due to heavy crops and increased efficiency, not to increased acreage. Australian consumption has not kept pace with production, and the result is that exports have more than doubled in quantity—from the average for the years 1926-28 of 143,000 tons to 310,000 tons in 1935. Conditions have been uniformly favourable this season for the growth of sugar cane, and present indications are that the 1936 production may approximate to the record output of 1933. The bulk of the shipments are to Great Britain and Canada.

### Rice Production in New South Wales

Twelve years ago Australia imported all her requirements of rice, but has now an export surplus every season. This season's rice harvest has just been garnered under perfect weather conditions. The yield is about 38,000 tons, and as home consumption only requires 25,000 tons, there will be a surplus of 13,000 tons for export.

The average yield for the last ten years has been 85.2 bushels per acre, but this year it is about 92 bushels per acre. The increase is due to the better methods of cultivation adopted and to intensive experimental work on the part of the Experimental Farms.

### Estimated Australian Wool Clip

The annual joint conference of the Australian Wool Growers' Council and the National Council of Wool-selling Brokers of Australia was held last week, at which clip estimates for the ensuing season are published. It is estimated that the clip for next season will be 3,036,000 bales compared with 2,930,000 bales for the last season.

The average bale weight for the new season is estimated at 305 pounds, giving a total clip of 925,980,000 pounds compared with 902,440,000 pounds last year. Of the new clip, 18 per cent will be crossbred and strong wool breeds, and the remainder merino wool. It is expected that 2,760,000 bales will be received through brokers' stores for offering throughout the Commonwealth. The selling season begins at Sydney on August 31. It was agreed that not more than 1,420,000 bales would be offered before Christmas.

### Wool Research and Publicity

An Act was recently passed by the Commonwealth Parliament authorizing a levy at the rate of 6d. per bale, 3d. per butt, and 1d. per bag on all wool produced. It is estimated that this will return from £60,000 to £80,000 per annum, and the levy will apply to all wool shorn after July 1. The fund will be used chiefly for publicity purposes overseas, but also for research in Australia.

### Mineral Production of New South Wales, 1935

The annual report of the Department of Mines states that the value of minerals and metals obtained in 1935 in the state was estimated at £10,912,539 as compared with £9,127,523 in 1934. The production in practically all the principal minerals—coal, Portland cement, gold, silver-lead, and zinc—increased, but a decrease was shown in the output of tin. The production of bricks, tiles,

pottery, other clays, road material, and building stone raised from all pits, quarries, and workings in the state was valued at £1,287,989 for the year, an increase of £147,795.

The output of coal amounted to 8,698,579 tons valued at £4,887,341. This represented an increase of £345,518 in value as compared with the previous year. The gold yield was the best recorded since 1921, the production amounting to 50,102 ounces fine valued at £212,818 standard rate, as compared with 36,213 ounces fine valued at £153,412.

## INDIAN SUGAR INDUSTRY

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, June 12, 1936.—There are approximately 3,500,000 acres in India under sugar cane which yield on the average about 5,000,000 tons (2,240 pounds) of raw sugar per annum. There are certain other small areas not included in the above figures in which the cane is grown, such as Burma and certain native states, in all amounting to around 125,000 acres producing about 180,000 tons per annum, but relatively small and unimportant to the industry as a whole.

The most important cane-producing area is the United Provinces, including the native state of Rampur, which produces about 50 per cent of the total crop of cane with a consequent yield of raw sugar of almost an equal amount. The other principal cane-producing areas in order of importance are the Punjab, Bihar, Orissa, Bengal, Madras, and Bombay.

At present there are 130 modern factories producing sugar direct from cane; their yearly output is slightly more than 570,000 tons, and there are at least twelve factories refining raw sugar to about 40,000 tons per annum. In addition, white sugar is produced by indigenous methods to the extent of around 150,000 tons a year.

The production of sugar directly from cane in modern factories has continued to show steady expansion, and at the end of the period ended March 31, 1935, had attained the record figures of area under cane 3,471,000 acres expressed in yield tons of raw sugar 5,085,000.

For the twelve months ended March 31, 1936, for which up to the time of writing detailed information is not available, authoritative sources report the acreage under cane is larger than in the previous corresponding period, the increase in the United Provinces alone being 22 per cent over last year's acreage, and the crop is generally healthier. As a result of the larger cane crop, raw sugar prices have declined and a larger quantity is expected to be refined in the current year.

## DRIED APPLE MARKET SITUATION IN THE NETHERLANDS

W. G. STARK, ASSISTANT TRADE COMMISSIONER

(One florin equals \$0.402 at par and approximately \$0.68 at present rate of exchange; one kilo equals 2.2 pounds; one metric ton equals 2,205 pounds)

Rotterdam, July 7, 1936.—Business in new-crop California dried apple quarters has already been transacted, and dealers are trying to clear last year's stocks in preparation for the coming season. There are still considerable supplies of sliced apples on hand, as these were purchased by the trade for intended resale to Germany—business, however, which did not materialize. Stocks of quarter-apples, which are for local consumption, have been mostly disposed of. The market has not been very active during the past five months.

## PRICES

United States offers are fairly high. New York State sellers are entirely out of line. The West Coast shippers are quoting currently as follows: California, extra choice, recleaned (all-water shipment), quarters \$10.87½, slices (rings) \$10.60. Oregon/Washington, extra choice, recleaned (overland shipment), quarters \$11.45, slices (rings) \$10.85. All the above quotations are in United States dollars c.i.f. Rotterdam per 50 kilos (110 pounds), shipment September-October, and for new crop merchandise.

The New York State prices referred to above as being too high were a short time ago: prime New York rings, \$10.85-\$11; New York rings, extra, \$11.15; New York rings, fancy, \$11.65. These quotations are also per 50 kilos c.i.f. Rotterdam in United States dollars, but must be regarded as only approximate, for apples from New York State are more likely to appear on this market in the fresh rather than in the dried state this year.

The Netherlands fresh apple crop is estimated at about 25 per cent of normal, so that there will likely be a demand for fresh apples both earlier in the season and in greater volume than last year. This will undoubtedly have some bearing on dried apple prices.

## RECENT IMPORTATIONS

Total imports of dried apples into Holland during 1935, according to the official statistics, were 3,703 metric tons (fl. 982,379). The United States was the principal supplier; 3,524 tons (fl. 943,573) were received from that country. Canada stood in second place with 124 tons (fl. 27,597).

In the first five months of this year 1,837 metric tons of dried apples (fl. 453,000) have been imported. Of these arrivals, the United States is credited with 1,835 tons (fl. 452,000). No shipments from the Dominion have been received so far this year. Imports from all countries in the January-May period of 1936 are larger than in the corresponding five months of 1935, when only 1,425 tons (fl. 363,000) were entered for consumption.

## IMPORT DUTY

Dried apples brought into the Netherlands are subject to an import duty of 12 per cent on the c.i.f. value and a 1 per cent compensatory duty. There is also a 4 per cent turnover tax levied on the duty-paid value, on which is superimposed a so-called "monopoly tax" of 4 florins per 100 kilos net weight.

## PROSPECTS

No business has as yet been concluded for this year's supplies with the exception of some California quarters which sell under a well-known brand name. Some dealers have taken considerable loss on the slices they were holding for resale to Germany, and the slow liquidation of these stocks helps to dull the general market.

There is an opportunity for Canadian shippers at a price of from \$9 to \$9.25 c.i.f. Rotterdam per 50 kilos (110 pounds). Interested exporters might communicate firm offers to the office of the Canadian Trade Commissioner at Rotterdam, who will endeavour to put them in touch with suitable Netherlands importers. Apples must be of good white colour and properly case-packed to ensure a not too unfavourable comparison with United States West Coast suppliers. Quarters are in more demand than the sliced apples.

## EXCHANGE CONTROL IN URUGUAY

R. G. C. SMITH, ASSISTANT TRADE COMMISSIONER

Buenos Aires, June 26, 1936.—Begun in October, 1931, exchange control has been operated in Uruguay ever since. The system of controlling exchange has evolved by well-definable steps into its present form. There is, however, one fundamental and important difference between the system in effect to-day and the original conception that is of primary interest to the exporter dealing with Uruguay. *The current regulations do not represent a risk in themselves of non-payment, nor do they cause delay in payments for imports.*

Exchange control has developed into the chief weapon for bringing about a balance of international payments for Uruguay, a debtor nation, by the restriction of imports and by the encouragement of exports. In addition to restricting imports in general, it is used to change the direction of trade in favour of those countries that are the principal buyers of Uruguayan produce.

### PURCHASE OF URUGUAYAN EXCHANGE

All exchange represented by export bills is purchased by the Government at rates that are fixed by it and depend on the class of goods exported. Since early in 1933 the peso has been pegged to the French franc at the rate of 12·06 francs per peso. This rate is, however, one of three currently quoted on the exchange market and is generally referred to as the official rate. A certain percentage of each export bill is sold at this rate, and the balance at the rate (also fixed by the Government) which is currently termed free controlled. This latter rate is not fixed rigidly and varies according to the demand and supply, the present rate being about 7·70 francs.

The third rate, called free, is used for the purchase of a percentage of export bills covering a few products that do not figure as important in Uruguayan export trade. The current free rate is 7·57 francs. This rate is also used to purchase exchange not arising from exports, and it is established daily by the Government.

### SALE OF EXCHANGE

The underlying principle of the exchange regulations is that exchange will be made available at the better rates for each country dealing with Uruguay to the extent of its purchases from Uruguay, after deducting a certain proportion, not greater than 25 per cent, for the requirements of the State. That is to say, if Canada were to buy \$1,000,000 annually from Uruguay, she would be given at least \$750,000 of import permits at the preferred rates to cover imports from Canada, Government financial services and dividend remittances to Canada. For the purpose of controlling these remittances, quotas are established quarterly for many countries, which quotas are based on each country's purchases from Uruguay for the previous quarter. This does not mean that if no quota is established for any particular country, no import permits will be issued for that country, but it does mean that imports from non-quota countries are severely handicapped, as will be explained later in this report.

The exchange acquired at the three different rates is subsequently resold to importers or individuals at a profit of  $2\frac{1}{2}$  per cent. Access to the rates depends on the use for which the exchange is required. That is, the exchange that is bought at the official rate is almost entirely used by the Government for its remittances abroad. It is only for a portion of a few articles, such as newsprint paper, breeding cattle, and fuels, that exchange is sold at the official rate to importers. A small proportion of the public utility companies' requirements are also met at this rate.

In general, however, importers are given exchange either at the free controlled rate or at the free rate according to the category to which the goods they are importing belong and to the country of origin. All importers in Uruguay must obtain an import permit for each operation effected. This permit is issued on the understanding that the importer is prepared to make remittance at one of the three rates mentioned previously, which is clearly specified on the permit. As previously stated, it is only in exceptional cases that the official rate is open to importers, so that most permits are issued on the basis of the free controlled or the free rate. The determination of the class of rate at which the permit to import is issued is established in accordance with the following general classifications:—

(1) Imports of raw materials or primary necessities from countries with trade agreements will be given first consideration. If there is any balance available, limited quantities of luxury articles and non-essentials will be considered. These imports will be granted exchange at the free controlled rate.

(2) Importation of raw materials from countries with quotas, but without trade agreements, will be effected at the free controlled rate. Non-essential articles from such countries will only be granted permits at the free rate.

(3) Imports of indispensable merchandise from countries without quotas will also be granted permits at the free exchange rate.

(4) In exceptional circumstances, as in the case of articles with established brands, luxury articles from countries without quotas may be considered on the basis of the free rate.

(5) Applications to import articles similar to those made in Uruguay will be considered by the Department of Rural and Industrial Credit.

An importer once in possession of an import permit is therefore assured of his exchange. Furthermore, those issued with a permit on the basis of the controlled rate must guarantee 20 per cent of the amount within fifteen days of the receipt of the permit, and pay the balance before obtaining the goods from the customs. A permit on the basis of the free rate requires the importer to buy or contract for his exchange before the issue of the permit. Thus it will be seen that the regulations rather constitute a guarantee of payment than a risk of delay or non-fulfilment.

Exchange may be sold at the free rate by the banks for all local requirements not in excess of £500, after which a permit must be obtained from the Bank of the Republic, although no difficulty will be placed in the way of legitimate operations provided the free rate is paid.

### STIMULATION OF EXPORTS

By the system briefly outlined above, the State has provided itself with a means of making remittances of its obligations at a rate which is very much cheaper than the international value of the peso (if the free controlled or free rate may be taken as a measure of this). At the same time the Government has the means, and uses it, for stimulating exports by allowing the exporters to sell a percentage of their exchange at the free controlled or free rate, which percentage may be varied to meet current requirements or to give temporary or special assistance to ailing or new industries.

As an indication of the rates at which exchange for different export products is sold, the following table is of interest:—

Product	Official Per Cent	Controlled Per Cent	Free Per Cent	Percentage of Total Exports represented by Product
Meats and extract. . . . .	80	20	..	24
Salted hides . . . . .	80	20	..	8
Wool (unwashed). . . . .	35	65	..	32
Sheepskins (unpickled) . . . . .	35	65	..	3
Linseed . . . . .	50	50	..	5½
Asbestos sheetings . . . . .	10	90	..	..
Jerked beef to countries without agreements . . . . .	..	..	100	..
Jerked beef to countries with agree- ments except Germany . . . . .	..	50	50	..
Wheat . . . . .	20	80	..	1½

It will be seen that the above table covers the products making up the bulk of Uruguayan exports. It also illustrates the manner in which exports are assisted by exchange control. The export of meat is a fairly constant factor, as Uruguay has a certain portion of the United Kingdom market to provide, so that the bulk of this exchange is sold at the official rate. On the other hand, wool is strictly competitive and the industry is accordingly assisted by 65 per cent of the exchange being sold at the controlled rate.

The jerked beef industry, formerly important, has been practically destroyed with the loss of the Cuban market, so that extra assistance is given by means of the highest rate of exchange. The asbestos sheeting percentages are given simply to illustrate the stimulation given to a new industry in Uruguay. As an example of seasonal help may be mentioned the fact that in April the percentages of official and controlled rates at which export bills could be sold were changed to 20 and 80 in the case of linseed and 10 and 90 in the case of wheat. This change is only in effect until the end of June of this year, when the former percentages will be reverted to.

Obviously there is a limit to which such assistance can be used, since the higher percentage of export bills sold at the controlled or free rate, the less exchange will there be available for imports or other purposes.

#### CONTROL OF IMPORTS

Imports under such a system are naturally the first to suffer from any drop in exports, since, as far as is practicable, imports from non-quota countries—that is, countries that buy little from Uruguay—are the first penalized in the event of any sudden shortage of exchange.

It may be taken as a general rule that importers from non-quota countries must purchase their exchange at the free rate as compared with the free controlled rate available for importers of most articles from countries with quotas. At current exchange rates, quota countries have therefore an advantage of less than 2 per cent in the cost of exchange. This spread has never been very large and has generally fluctuated between 5 and 10 per cent. However, in addition to the advantage of exchange, buyers at the controlled rate have a more important advantage in the matter of customs duties.

The Uruguayan customs schedule is based on an ad valorem duty charged on fixed values for most items, which values are established in pesos in the tariff. Thus, with a falling international value of the peso, the duties, in terms of foreign currency, are also reduced. To compensate the duties for the depreciation of the peso, for some time 25 per cent (50 per cent in the case of some luxury items) of the duties have been payable in gold or its equivalent in pesos at the current rates of exchange. Prior to May, 1935, the official rate was used for all such computations, but since that date the average rate of the three exchanges has been taken, when goods are imported at the free controlled rate, and the free rate for goods imported at the free rate. The official rate is still used for calculating the surtax when goods are imported at that rate, but in practice this hardly ever occurs, as the items given the official rate are generally free of duty.

At current rates, the surtax on the duty for goods imported at the free controlled rate works out at 47.5 per cent, as compared with 62.3 per cent for goods at the free rate. Considering that most duties in Uruguay are about 69 per cent of the artificial values, this difference in duties is a considerable advantage to the quota and treaty countries.

#### QUOTAS

The quarterly quotas are based on the purchases of each country from Uruguay, but any unused portion may be carried forward to the subsequent three months. The quotas were first established for the quarter ending June

30, 1935. The following table gives the total quota allocated, and trade for the last six months of 1935, to the principal countries trading with Uruguay and includes some of the countries of less importance but directly competing with Canada. The quotas are always issued in French francs, but they have been converted into pesos to establish a means of comparison:—

Country	Quota Established 1,000 Pesos	Uruguayan Exports 1,000 Pesos	Exchange Granted 1,000 Pesos	Calculated Rate of Exchange Frns. per Peso
United Kingdom. . . . .	7,910	11,309	8,730	7.02
Germany . . . . .	(*)	6,210	5,840	7.72
United States . . . . .	4,030	6,211	5,830	7.46
Italy . . . . .	(*)	2,035	3,190	7.05
Argentina . . . . .	....	3,379	2,250	7.27
Belgium . . . . .	2,920	1,650	4,010	6.97
Brazil . . . . .	....	1,139	3,910	6.44
Canada . . . . .	....	205	524	8.65
Sweden . . . . .	1,230	500	595	7.47
Finland . . . . .	....	34	61	8.71
Norway . . . . .	....	11	195	7.64
France . . . . .	4,430	2,801	1,950	7.12

\* Agreement.

The figures in the last column in the above table were arrived at by applying the various rates of exchange to the amount granted at each rate for the two quotas to each country. As the difference between the free controlled and free rates is not great, those countries obtaining the largest share of official exchange have the most favourable rate of exchange. The fact that Canada, Norway, and Finland have the most favourable rate of exchange in spite of the fact that neither country had a quota can be explained by reason that imports of newsprint paper are generally given a large percentage of exchange at the official rate. Similarly, the comparatively good position of Germany and the United States is caused by large sales to State institutions, which were presumably made at the official rate, while the United Kingdom, Uruguay's best customer, is in a relatively unfavourable position through a small percentage of imports for State institutions, or at the official rate.

The fact that the quota for both the United Kingdom and the United States is somewhat under the Uruguayan exports to each country may be explained by the fact that both these countries have heavy debt services owing from Uruguay.

In order that countries that generally have a quota allotted to them may not suffer unduly from any temporary exhaustion of their quota, it has been established that in such cases where import permits are necessarily issued at the free rate to cover imports of essential articles, the duty surtax will be levied at the same rate as if the goods were imported at the controlled rate. This only applies to countries usually operating with a quota, and for articles from those countries which are usually granted exchange at the controlled rate and are of primary necessity.

In some cases the quotas are issued with stipulations as to the products to be benefited thereby. In the case of the United States, for example, the quota is to be applied (that is, exchange at the controlled rate will be issued) to all goods except radio apparatus, electrical appliances, refrigerators, automobiles, spun goods, and sole crepe-rubber. In the majority of cases, however, no products are specified, and the quotas are applied to the articles considered to be most necessary.

#### TRADE TREATIES

For some time Uruguay has been endeavouring to arrange trade treaties, principally on the basis of most-favoured-nation clauses. Such treaties exist with the United Kingdom, Spain, Italy, Japan, and other countries. In addition,

the Bank of the Republic has made several private agreements with large foreign groups, the most important of which was a German agreement providing for a special rate of exchange for certain imports in exchange for purchases of wool.

The United Kingdom agreement established a basis for the fixing of the quotas, since the Uruguayan export figures did not correspond with those of the United Kingdom. It was established that 76 per cent of the value of imports into the United Kingdom from Uruguay each month, according to the official United Kingdom figures, would be used for this purpose, provided that in any one complete year the total percentage could not be less than 80.

#### CANADA'S POSITION

For many years the balance of trade between Canada and Uruguay has been in favour of the former; in fact the Uruguayan statistics have only recently shown any exports to Canada whatsoever, no doubt because a considerable proportion of the shipments of canned meats from Uruguay are made via Trinidad or a United States port. When the quotas were first issued in April of 1935, Canada was given a quota of 1,500,000 francs for the quarter ending June 30, 1935. Following that issue, import permits were granted at the controlled rate fairly liberally for imports of agricultural machinery from Canada, and Canadian newsprint paper was imported at the official rate.

No further quotas for Canada were issued until the quarter ending June, 1936, when 200,000 francs were allocated to Canadian imports, to be applied exclusively to the import of spare parts for agricultural machinery. In the lack of a separate quota, importers of Canadian agricultural machinery in December, 1935, were denied permits at the controlled rate and compelled to deal at the free rate.

Newsprint paper appears to be treated separately of the quotas and exchange at the official rate has always been more or less readily available regardless of the country of origin of the paper. The fact, however, that newsprint receives this more favourable treatment explains why Canada has had no separate quota for most quarters.

Fortunately there is no duty on agricultural implements, so that the preference in favour of United States machinery is confined to the difference between the free controlled and free rates of exchange. At the moment this is small, but it has been as high as 10 per cent. For miscellaneous dutiable goods, however, the competitive position of Canadian manufacturers is not so fortunate, as the maximum surtax on the duties will have to be paid in all cases.

#### BLOCKED ACCOUNTS AND DEVELOPMENT OF THE SYSTEM

When exchange control was first inaugurated in 1931, there was no provision for different rates, but the Government controlled all exchange, with the exception of minor remittances. Eventually the control became complete, but no machinery existed for securing an exchange permit until after the arrival of the goods. As the demand for exchange from imports exceeded the supply, large sums accumulated in Uruguay awaiting a permit to remit abroad. These sums were secured by peso deposits, which grew to fairly large figures.

Thus in July, 1932, the issue of gold bonds to the equivalent of 15,000,000 gold pesos was authorized, to liquidate these blocked balances. These bonds were originally issued at 6 per cent in several foreign currencies, and were to be completely amortized by the end of four years. Subsequently the issue was increased by another series at 5 per cent. While this loan removed a large block of frozen balances, no provision was made to prevent further accumulation of funds.

The first step towards the establishment of a system that would avoid the growth of blocked balances came in March, 1933, when exporters of specified

products were enabled to sell a proportion of their exchange to specified importers of essential products at a rate to be mutually agreed upon. The profit charged was about 30 per cent over the official rate of exchange, although it eventually rose to over 50 per cent and the list of export products was extended to the point where importers almost ceased to consider trade on any basis other than this "compensated" rate, as it was called.

Finally, in February, 1934, exchange not arising from exports was freed and could be sold by the bank at whatever rate the market would pay. Subsequently the Government took over control of the compensated market, purchasing such exchange from the exporter at 40 per cent over the official rate and reselling at about 45 per cent. This system was finally followed by the present organization of free controlled exchange, and by the quota and import permit system at present in force.

Meanwhile, before the establishment of the free market, funds again accumulated in Uruguay, so that a second series of gold bonds was authorized towards the end of 1934 at 3½ per cent, amortization in annual payments up to the end of five years.

With the establishment of the present system the possibility of the accumulation of blocked funds has been eliminated. Technically there is no such thing as blocked accounts in Uruguay at the present time, since holders may elect to take up the bonds or try to make arrangements with the importer to remit at the free rate.

## ECONOMIC CONDITIONS IN MEXICO

S. G. MACDONALD, ACTING TRADE COMMISSIONER

### I. Agriculture and Industry

Mexico City, June 29, 1936.—While economic opportunity and development are on the threshold, the social unrest and labour problems that exist in Mexico, particularly during the past two years, have militated against the restoration of confidence among those enterprises which lend themselves to large-scale expansion. The national capital is quite insufficient for this kind of development, and no encouragement is given to the older industrial nations to extend credit, or to make investments. On the contrary, the general unrest among the working classes and the program of the Government (known as the Six Year Plan), which began with the opening of 1934 and the inauguration of the President, are barriers to investments from outside, and the aim and object of the administration is increased national self-sufficiency.

### INCREASED NATIONAL PRODUCTION

While the industrial production allows for but 10 per cent of total exports, the import statistics indicate the advance which is being made in supplying internal demand from local sources. The diminution in imports of lard compounds, milk products, rayon piece-goods, some semi-manufactured forms of iron and steel, and the steadiness and increase of others, particularly copra, raw rubber, rayon yarn, and unspecified machinery and parts, are indicative of the accelerated trends towards economic self-sufficiency.

### AGRICULTURE

The central aim of the Six Year Plan is the redistribution of land and the improvement of the standard of living of the rural population as well as that of the lower classes in urban centres. Two-thirds of the population of Mexico is engaged in agricultural pursuits, mainly general farming, although cattle raising is important. Work began during 1935 in developing large potentially fertile

areas in the north and northwest of the republic by increasing the existing irrigated 750,000 acres by an additional 500,000; it is hoped that a total of 2,500,000 acres will be under irrigation by 1940.

While the primary purpose of the Six Year Plan is to elevate the position of the masses, as a complement thereto the question of export markets for agricultural produce is important. The 1935 statistics indicate that the agrarian policy has lowered production, but with the making available of credit facilities to small cultivators and by intensive educational work and the repatriation of agriculturalists from the southern United States, it is hoped that this movement may be arrested.

Production generally for local consumption has sufficed during the past two years, and restrictions on certain agricultural products, notably cotton and lard, have resulted in increased local output and diminished imports. The production of henequen continued to fall, but the ixtle trade is much improved following the creation of a national marketing co-operative organization, a scheme which is being applied in other directions, particularly for coffee and bananas. As compared with the average for the past five years, the cotton production in 1935, amounting to 221,127 bales, was eminently satisfactory and has shown an advance of 5.2 per cent over the previous year and of 20.36 per cent for the five-year period. Following the imposition of an embargo on chickpeas by Spain, some 50,000 tons were carried over into 1936 by the growers, but with the removal of this embargo in May the outlook has become much more favourable. Nevertheless, the new acreage is only about 30 per cent of the old, and an important proportion of the remainder, mainly on the Pacific slope, is being devoted to cotton growing. Sugar producers are handicapped by overproduction, although the national selling pool, organized in 1932, has been successful in maintaining wholesale and retail prices at 25 and 19 centavos gross and net per kilo respectively. Control is not applied to unrefined sugar, the production of which is estimated at from 70,000 to 80,000 tons annually; the wholesale prices fell from 20 to 12 centavos per kilo during the three years. The organized producers of white sugar are now attempting to compete in the market for unrefined in order to avoid export surpluses with resultant heavy losses.

Considerable losses were noted on the central plateau for crops generally as a result of frost, but conditions on the Gulf of Mexico were good and normal in the northern and Pacific zones. Little variation is reported with respect to the cultivation of wheat, barley, maize, beans, sesame, groundnuts, sugar, oranges, lemons, and tomatoes; the prospects for rice during 1936 are bright. A large coffee crop is expected and increased areas are being set out for banana planting as a result of almost doubled sales during 1934 and 1935, not only in the home market but also in the United States and, to a minor degree, in Canada.

#### VALUE OF FOREIGN INVESTMENTS

An estimate made in the United States in 1932 placed the value of British (including Canadian) investments at 195 million pounds, United States at 143 million pounds, French at 60, and Spanish at about 40 million pounds. Since that time there has been a material reduction, and during 1935 British investments were given a book value of but 130 million pounds with an actual value of less than one-quarter of that amount.

#### PETROLEUM

The two leading companies, the Mexican Eagle Oil Co. (British) and the Huasteca Petroleum Co. (subsidiary of the Standard Oil Co. of New Jersey), were adversely affected by strikes which were followed by large wage increases, brought about by Government intervention. Naturally these two factors disturbed dividend rates and production. Following the serious troubles in the

industry, the Government proposed the organization into a single union of all oil workers, but this has not so far been brought about.

Despite the labour and wage difficulties, the production of oil was only about 4 per cent less than in 1934 but it was greater than in 1933. Total production (in 1,000 of barrels) during the first eleven months of 1935 was as follows: fuel oil, 16,204; gas oil, 2,925; gasoline, 7,655; lubricants, 605; kerosene, raw, 586; kerosene, refined, 1,115; paraffin, 245; other products, 1,316.

The domestic consumption of oil and oil products increased from 16,265,795 barrels in 1934 to 17,700,000 barrels in 1935; the corresponding figures for gasoline were 313,120,740 and 352,789,000 litres respectively. Decreased exports in 1935 are attributed to the strikes, which also reduced the output of the refineries. The comparative figures were 22,445,972 barrels in 1935 and 25,018,181 barrels in 1934.

In October, 1934, Petromex, S.A. was incorporated with a capitalization of 20 million pesos, one-half of which was to be supplied by the Government. The company has developed rapidly, although as yet it is not a factor in the national industry. Nevertheless, the percentage of the whole production taken up by this company increased from 0.19 per cent in 1934 to 1.75 per cent in 1935. Undoubtedly this organization will, in view of the holdings of the company, become an important factor in the industry.

#### MINING AND METALLURGY

While the mining and metallurgical industries of Mexico have always been of great importance to the country, the effect of the silver buying policy of the United States during the past several years has greatly increased activity in all their branches, as in this country silver is generally found in association with gold, lead, copper, zinc, and arsenic. Over 40 per cent of the total world production of silver is credited to the republic. Despite the extraordinary advance in price since 1932, when the bottom was reached with an average of 27.8 U.S. cents per ounce, the Mexican production (2,118 tons) was then valued at 77.7 million pesos, and in 1934 with the price at 84 cents the output of 2,306 tons was worth 124.6 million pesos. During the first six months of 1935 the price averaged 63.6 cents, and a production of 1,072 tons, valued at 73.8 million pesos, was obtained.

The following table indicates the recent production of the less important minerals, all of which are exported excepting coal and bismuth, of which some 70 per cent is domestically consumed:—

	1933		1934		1935	
	Tons	Thousand Pesos	Tons	Thousand Pesos	Tons	Thousand Pesos
Cadmium . . . . .	502	2,019	385	1,681	598	3,034
Tin . . . . .	125	199	16	65	631	2,516
Tungsten . . . . .	.....	.....	74	445	50	282
Manganese . . . . .	573	11	664	13	.....	.....
Molybdenum . . . . .	66	217	778	2,591	1,144	3,811
Bismuth . . . . .	47	355	103	973	214	1,811
Coal . . . . .	647,838	4,528	782,156	5,475	989,804	.....

Although a number of European countries, particularly Belgium, France, Germany, and the United Kingdom, are importers of Mexican metals, the United States is by far the most important purchaser.

When the price of silver exceeded 60 U.S. cents, considerable impetus was given to placer mining and to the recovery of picked ore from dumps, and larger mines opened up new veins and exploited low-grade reserves. Under a decree of April 11, 1935, the Government began to share in the benefits of this increased activity. This, combined with the deterioration in general conditions and the recession from the peak price for silver reached in 1934, has restricted

the activities of the smaller operators, and as a result the output of both gold and silver fell sharply during the last three months of 1935 and continued to do so during 1936.

Iron and steel, which are important in Mexico's economy, enjoyed a period of marked activity in 1935, and every effort has been made by the Government to keep these industries in operation. Excluding the Government arsenal, which has produced ploughs for agrarians and small holders to the order of the National Agricultural Bank, and numerous small iron foundries and nail factories throughout the country, the annual output from the three leading works, with sales in 1935 estimated at 30 million pesos, averages about 160,000 tons of rails, structural steel, reinforcing rods, wire, nuts and bolts, and cast steel equipment. The largest works, situated at Monterrey, represent 60 to 70 per cent of the total investment in the industry and has paid monthly dividends throughout 1935.

This company is now carrying on extensive rebuilding, the construction of furnaces, travelling cranes, turbines, etc. Most of the raw material of this factory is obtained from the Cerro Mercado in Durango, which is estimated to contain 100 million tons of haematite ore with an average content of 65 per cent. The annual output of Monterrey, 110,000 tons, is produced by the open hearth process with natural gas piped from the United States. The other two important concerns are in Mexico City and are operated by purchased electric power, the larger operating three electric furnaces and producing most of the steel castings.

Recent developments include a copper wire-drawing plant making wire and cable in all sizes. Although import tariffs are considerable, it is believed that, providing exchange rates remain at their present level, no serious competition from abroad would be possible even if protection were removed.

#### TEXTILES

The textile industry is the leading form of manufacture in the republic with nearly 10 per cent of the total value of industrial investments and over 21 per cent of the annual output of manufactures: it supplies practically the whole national demand. Spinning, weaving, dyeing, printing and finishing are generally carried out under the same roof. Of the several hundred cotton mills, a few also weave and finish imported rayon yarn and some thirty produce woollens. These mills range in size from concerns with a few looms to the largest with 5,000 looms, 150,000 spindles, and a number of modern printing machines.

After nearly three years of prosperity, during which time many mills operated twenty-four hours a day, the last three months of 1935 and the early months of 1936 have been marked by low prices, slow payments, and one eight-hour shift a day. The cotton yarn and the cotton and rayon piece-goods trades have suffered the most; the business in woollens was greatly aided by an unusually severe winter season.

Almost the entire demand for cloth and sacks is supplied by two jute mills, which were busy throughout 1935 and the first quarter of 1936 furnishing sacks for the sugar crop, which was some 30 per cent larger than in the previous year. Although the experimental cultivation of jute is being carried on in the State of Sinaloa, the fibre up to the present time proves to be lacking in tensile strength.

#### OTHER INDUSTRIES

Under the protection of heavy import duties and government assistance to industry, manufacturing continues to expand. With the exception of a small demand in the larger cities, chiefly from foreign residents, the domestic production in the following commodities suffices normally for local consumption: textiles

(cotton and rayon cloths, knitted material, made-up goods); leather, canvas and rubber footwear; automobile tires, rubber soles and heels, etc.; canned fruits and vegetables; matches; cement; beer; soap; biscuits and alimentary pastes; cigarettes and cigars; bottles and moulded glassware.

Industrial development during the year was also noted in the production of building requisites, house fittings, vitrified tiles, window glass, enamelled and aluminium hollow-ware, razor blades, paints and varnishes, canned meat and fish, vegetable lard and margarine. The Ford Company set up an assembly plant some years ago and the General Motors Company is about to establish themselves in this market. It is intended to assemble trucks only to begin with in their plant, which will be opened toward the end of 1936.

#### TOURIST TRAFFIC

With the greatly increased tourist traffic, the estimated value of which in 1935 was about 60 million U.S. dollars (41 million in 1934), the trade in native curios (rugs, pottery, straw and wooden goods, and Mexican silver and jewellery), has become rapidly commercialized. With the opening of the national highway from Laredo, Texas, to Mexico City on July 1, 1936, a very much larger tourist traffic is expected with the attendant result of increased sales in Mexican native goods.

### EXCHANGE CONTROL IN COSTA RICA

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama, June 30, 1936.—An Exchange Control Board, in co-operation with the Banco Internacional de Costa Rica, administers regulations designed to balance foreign payments and, as far as possible, to confine purchases of foreign merchandise to the countries which import Costa Rican products. Exchange control as exercised in Costa Rica is comparatively simple in form and, in so far as Canadian exporters are concerned, the regulations do not prevent prompt collections and remittances. Delays in remitting to Canadian firms are owing almost without exception to a lack of funds on the part of the Costa Rican importer or his desire to await a more favourable rate of exchange.

#### METHOD OF OPERATION

The Costa Rican importer desirous of meeting his Canadian obligations expeditiously, regardless of the rate of exchange, may do so by presenting his shipping documents to the Exchange Control Board accompanied by an application in duplicate requesting authority to purchase the necessary foreign exchange. The application form, when filled out and signed by the importer or purchaser, gives complete information regarding the transaction, coinciding with details shown on a regular and complete set of shipping documents. The Exchange Control Board registers the transaction and returns the shipping documents to the importer, together with a permit to purchase the necessary foreign funds.

This permit bears an official registration number, the duplicate of that number being retained by the board. The importer is then obliged to conclude the transaction by the purchase of the foreign exchange applied for and authorized, within five days of the date of issuance of the permit. The funds required may be purchased from any bank or individual, the buyer surrendering his permit to the seller, who in turn is obliged to return it to the Exchange Control Board as proof that the transaction has been completed.

### RESTRICTION AS TO PURCHASE

Permits to purchase foreign exchange bear a stamp of the Exchange Control Board, which says in effect: "Exchange specified on this permit to be allotted from exchange available from proceeds of exports to (specified) country." Under the regulations of the board, these permits may total a daily amount for any one country not exceeding the daily purchase of Costa Rican products by that country.

In practice it is believed that the Exchange Control Board finds difficulty in adhering strictly to this system, and to offset the difficulty it is understood that a daily balance available as payment for importations from one country, if not applied for and used within a reasonable time, may be allotted in payment for importations from some other country. Of course this reallocation of foreign exchange is limited by the necessity of balancing total imports against total exports.

### OTHER FEATURES

The principal source of foreign exchange is from drafts drawn on foreign firms to cover exports of Costan Rican products, and these are controlled and recorded carefully by the Exchange Control Board. A favourable visible balance of trade was reported at the close of 1935, which would seem to indicate that adequate foreign exchange is available to cover imports. It has been pointed out, however, that a portion of the proceeds from Costa Rican exports of bananas probably does not return to the country. On the other hand, foreign fruit, railway, and mining companies import capital from time to time, and a certain amount of foreign exchange is derived from the tourist traffic which the Costa Rican Government is endeavouring to develop.

### UNIT OF CURRENCY

The colon is currently quoted at Cs.642 equals U.S.\$100, an appreciation from the figure of 689 quoted at the beginning of 1935.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### United Kingdom Tariff Changes

The United Kingdom, by Additional Import Duties (No. 12) Order, effective July 1, has increased from 10 per cent ad valorem to 7s. 6d. per cwt. the import duty payable on rice, millet, and buckwheat starches, and goods consisting of a mixture of such starches or any two of them, also on cornflour, custard powder, and laundry materials containing such starches.

Under Additional Import Duties (No. 14) Order, effective July 3, provision is made for a minimum specific rate of 4d. per square yard on fabrics, imported as such, of a weight exceeding 12 ounces to the square yard, consisting wholly or partly (at least 50 per cent by value) of paper yarn, whether coated or otherwise treated or not. The former rate of 20 per cent ad valorem continues to apply where it would yield a greater amount of duty.

Goods of the foregoing descriptions which are Canadian products within the meaning of the Imperial preference regulations are exempted by the Canada-United Kingdom Trade Agreement of 1932 from duties under the Import Duties Act.

### Australian Deferred Duties

Certain deferred duties under the Australian customs tariff have been further postponed, as follows:—

Item 136F2, iron and steel hoops less than 12 gauge thick, at present free of duty under the British preferential tariff and 15 per cent ad valorem under the general tariff, rates

deferred to October 1, 1936, 10 per cent under the British preferential and 22½ per cent plus 70s. per 2,240 pounds under the general tariff, with increasing rates as present Australian exchange depreciation is reduced.

Item 147, iron and steel plates and sheets, plain tinned, at present free of duty under the British preferential tariff and 10 per cent ad valorem under the general tariff, rates deferred to January 1, 1937, 76s. and 115s. per 2,240 pounds under the respective tariffs.

Item 186, screw hooks, eyes and rings, at present free of duty under the British preferential tariff and 15 per cent ad valorem under the general tariff, rates deferred to January 1, 1937, free under the British preferential and 26¼ per cent ad valorem under the general tariff, with duty to be applied under the British preferential and increased under the general tariff as present Australian exchange depreciation is reduced.

In all cases, the British preferential rates apply to Canada and the general tariff rates to all countries outside the British Empire.

### New Zealand Customs Decisions

Recent decisions of the New Zealand Department of Customs as to rates of duty on articles regarding which question had been raised, include the following:—

Envelope manila paper, glazed on one side only, of qualities approved by the Minister of Customs, for use in the manufacture of envelopes, is admissible free of duty under both British preferential and general tariffs, whether imported in rolls or in the flat (formerly it was so admitted when imported in the flat only); sulphur chloride (a vulcanizing preparation) is made free of duty under both tariffs (formerly 20 per cent ad valorem under the British preferential and 45 per cent under the general tariff); electrode boilers for water heating, for voltages not exceeding 1,000 volts, are dutiable at 20 per cent ad valorem under the British preferential tariff, 30 per cent ad valorem under the Trade Agreement rate to Canada, and 45 per cent under the general tariff; when for voltages over 1,000 volts such boilers are free of duty under the British preferential tariff (applicable to Canada) and dutiable at 25 per cent under the general tariff; staple-making machines for making wire staples are free of duty under both British preferential and general tariffs; hand-operated syphon brass pumps are 20 per cent under the British preferential and 45 per cent under the general tariff; radiator valves of brass or other copper alloy are 25 per cent under the British preferential and 50 per cent under the general tariff.

Goods free of ordinary customs duty are subject to 3 per cent ad valorem primage duty. A surtax of 22½ per cent of the duty (except primage duty) applies to all countries outside the British Empire and also to Canada and certain other British dominions. Canadian goods are entitled to the British preferential rate on all articles above quoted except electrode water-heating boilers not exceeding 1,000 volts, on which a Trade Agreement rate applies, as stated.

### United States Trade Agreement Rates

With reference to the notice in *Commercial Intelligence Journal* No. 1642 (July 20, 1935) respecting application of duties arising out of trade agreements concluded by the United States; and to the notice in *Commercial Intelligence Journal* No. 1653 (October 5, 1935) extending the reduced duties to Canada, France, the Netherlands, Spain, Switzerland, and Liechtenstein, the United States has since concluded most-favoured-nation trade agreements with all of these countries except Spain, to which the trade agreement concessions have, however, been indefinitely extended by Treasury Decision of December 3, 1935 (T.D. 48035).

Regarding other countries, the reduced duties were withdrawn from Germany on October 15, 1935, and notice has been given, in a letter from the President of the United States to the Secretary of the Treasury, that, effective August 1, 1936, the reduced duties would be withdrawn from Australia.

### **Netherlands Import Restrictions on Toilet Soap**

Writing under date July 3, 1936, Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, states that by a royal decree of June 29, 1936, restrictions have been placed on the importation into the Netherlands of scented soap, transparent soap, and medicinal soap in blocks, bars, or tablets, scented soap powder as well as scented soft and liquid soap. During the period from July 1, 1936, to September 30, 1936, imports of these commodities shall not exceed 60 per cent of the average net weight imported from each exporting country per three months during 1935.

The Minister of Commerce, Industry and Shipping may in addition grant special quotas to designated countries.

### **Swedish Customs Tariff Amendments on Fur-bearing Animals and Their Products**

(One kilogram equals 2.2 pounds, and one Swedish krona is equivalent to \$0.268 at par)

Mr. Richard Grew, Canadian Trade Commissioner in Oslo, reports under date July 4, that a resolution was passed in Sweden on June 12, effective from June 22, 1936, providing that beavers, chinchillas, ermines, martens, Canadian martens, white, blue, black, silver and cross foxes, sables, otters, polecats, and minks, imported for breeding purposes, may enter Sweden free of duty. These animals were previously subject to an ad valorem duty of 15 per cent.

Another resolution was passed on the same date, increasing the duty on fur skins and manufactured articles of beaver, chinchilla, ermine, marten, mink, white, blue, black, silver, and cross fox, sable, real seal and otter, as follows: From 600 to 800 kronor per 100 kilograms on dressed, loose skins, from 1,100 to 1,400 kronor per 100 kilograms on dressed skins sewn together, as well as on partly manufactured articles, from 1,650 to 2,200 kronor per 100 kilograms on finished articles covered or lined with textile material containing silk, and from 1,450 to 2,000 kronor per 100 kilograms on other finished articles. On all these articles an additional duty of 15 per cent ad valorem will be levied, as previously.

### **Mexican Tariff Changes**

Mr. S. G. MacDonald, Acting Trade Commissioner in Mexico City, reports under date July 7, 1936, that a decree of June 30, 1936, effective July 10, provides for reclassification of the Mexican tariff on electrical and similar tapes. Woven tapes up to 20 millimetres in width, with substances adherent to both sides, are to be subject to a duty of 1.40 peso per legal kilogram (\$0.18 per pound), while that of greater width and up to 15 centimetres is subject to a duty of 0.80 peso per legal kilo (\$0.10 per pound). Previously, all tapes of this type up to 15 centimetres in width were dutiable at the rate of 0.80 peso (\$0.10 per pound) per legal kilo.

### **Documentation for El Salvador: New Leaflet**

A new leaflet dealing with the documentation requirements of El Salvador has been issued by the Department of Trade and Commerce, Ottawa. Interested Canadian firms may obtain a copy on application to the Department at Ottawa.

### **Manchukuo-German Trade Treaty**

Mr. C. S. Bissett, Canadian Trade Commissioner in Tientsin, writes under date June 1, 1936, that a trade treaty between Manchuria and Germany went into operation on that date. It is more in the nature of an exchange agreement than a trade treaty as no provision has been made for customs tariff concessions by either party and its various clauses are controlled mainly by the exchange laws of the two countries.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 20

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending July 20, 1936, with the official bank rate. Quotations for the week ending July 13, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 13	Nominal Quotations in Montreal Week ending July 20	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1886	\$ .1887	3½
Belgium . . . . .	Belga	.1001	.1694	.1691	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0415	.0416	3
Denmark . . . . .	Krone	.2680	.2246	.2247	3½
Finland . . . . .	Markka	.0252	.0221	.0221	4
France . . . . .	Franc	.0392	.0662	.0663	3
Germany . . . . .	Reichsmark	.2382	.4037	.4037	4
Great Britain . . . . .	Pound	4.8666	5.0325	5.0337	2
Greece . . . . .	Drachma	.0130	.0094	.0093	4
Holland . . . . .	Guilder	.4020	.6816	.6815	3
Hungary . . . . .	Pengo	.1749	.2953	.2952	4
Italy . . . . .	Lira	.0526	.0791	.0790	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0231	5
Norway . . . . .	Krone	.2680	.2528	.2530	3½
Poland . . . . .	Zloty	.1122	.1895	.1894	5
Portugal . . . . .	Escudo	.0442	.0457	.0456	4½
Roumania . . . . .	Leu	.0060	.0073	.0073	4½
Spain . . . . .	Peseta	.1930	.1372	.1371	5
Sweden . . . . .	Krona	.2680	.2594	.2596	2½
Switzerland . . . . .	Franc	.1930	.3275	.3275	2½
United States . . . . .	Dollar	1.0000	1.0009	1.0006	1½
Mexico . . . . .	Peso	.4985	.2779	.2781	4-5
Cuba . . . . .	Peso	1.0000	.9999	.9996	—
Guadeloupe . . . . .	Franc	.0392	.0662	.0663	—
Jamaica . . . . .	Pound	4.8666	5.0425	5.0450	—
Martinique . . . . .	Franc	.0392	.0662	.0663	—
Other British West Indies	Dollar	1.0138	1.0484	1.0487	—
Argentina . . . . .	Peso (Paper)	.4245	.3356	.3356	—
Brazil . . . . .	Milreis (Paper)	Unofficial	.2708	.2727	—
		.1196	.0864	.0844	—
		Unofficial	.0571	.0575	—
British Guiana . . . . .	Dollar	1.0138	1.0484	1.0487	—
Chile . . . . .	Peso	.1217	.0510	.0510	4½
		Unofficial	.0410	.0410	—
Colombia . . . . .	Peso	.9733	.5695	.5694	4
Peru . . . . .	Sol	.2800	.2489	.2489	—
Venezuela . . . . .	Bolivar	.1930	.2402	.2402	—
Uruguay . . . . .	Peso	1.0342	.8000	.7974	—
South Africa . . . . .	Pound	4.8666	5.0250	5.0287	—
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1650	5.1632	—
China (Shanghai) . . . . .	Dollar	.....	.3000	.3000	—
Hongkong . . . . .	Dollar	.....	.3241	.3236	—
India . . . . .	Ruppee	.3650	.3795	.3799	3
Japan . . . . .	Yen	.4985	.2939	.2936	3.29
Java . . . . .	Guilder	.4020	.6846	.6849	4
Siam . . . . .	Baht (Tical)	.4424	.4611	.4614	—
Straits Settlements . . . . .	Dollar	.5678	.5896	.5902	—
Australia . . . . .	Pound	4.8666	4.0262	4.0275	—
New Zealand . . . . .	Pound	4.8666	4.0582	4.0600	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Movements in foreign exchanges were narrow, lacking specific developments. Trading was generally light and little appreciable gain in activity followed the reopening of the French market after a two-day holiday. Approval of the comprehensive reorganization of the Bank of France with a view to the widening of cheap credit was reported during the week. After displaying early strength, the French franc eased and closed the week at 6·63 cents. Other gold currencies moved largely in sympathy with the franc. The pound sterling at Montreal rose from \$5·032 on the 13th to \$5·034 on the 18th. The premium on New York funds ranged between 0·06 per cent and 0·125 per cent.

**TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS**

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

**Secretary, Board of Trade—**

Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

**Secretary, Chamber of Commerce—**

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

**Secretary, Canadian Manufacturers Association—**

Toronto, Ont.

Montreal, P.Q.

Winnipeg, Man.

Edmonton, Alta.

Vancouver, B.C.

Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Miscellaneous—</b>			
Soya Bean Oil, Refined and Deodorized.	529	Christchurch, New Zealand.	Agency.
Blood Albumen (for the Veneer Industry).	530	Helsingfors, Finland.....	Agency.
Casein (for the Veneer Industry).	531	Helsingfors, Finland.....	Agency.
Mohair Plush Cuttings.....	532	Kobe, Japan.....	Purchase.
Wood for the Manufacture of Wood Wool.	533	Paris, France.....	Agency.
Bathroom Accessories.....	534	The Hague, Holland.....	Purchase.
Electric Lighting Fixtures.....	535	New York, U.S.A.....	Agency.
Apple Evaporating and Drying Equipment.	536	Cape Town, South Africa.	Agency.
Railway Passenger Car Trucks (40-ton B. of C.).	537	Tientsin, China.....	Purchase.
Chemicals for Industrial and Pharmaceutical Uses.	538	Amsterdam, Holland.....	Purchase and Agency.
Cotton Sewing Thread.....	539	Harbin, Manchuria.....	Agency.

### CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

### PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

#### From Montreal

*To Liverpool.*—Duchess of York, July 31; Duchess of Richmond, Aug. 7; Duchess of Bedford, Aug. 11; Montcalm, Aug. 14; Montclare, Aug. 19—all Canadian Pacific; Andania, July 31; Antonia, Aug. 14—both Cunard-White Star Line.

*To London.*—Beaverburn, July 31; Beaverhill, Aug. 7; Beaverford, Aug. 14; Beaverbrae, Aug. 21; Beavertale, Aug. 28—all Canadian Pacific; Ausonia, July 31; Alaunia, Aug. 7; Ascania, Aug. 14; Aurania, Aug. 21—all Cunard-White Star Line.

*To Manchester.*—Manchester Citizen, July 30; Manchester Port, Aug. 6; Manchester Producer, Aug. 13; Manchester Commerce, Aug. 20; Manchester Division, Aug. 27—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Norwegian, Aug. 5; Kastalia, Aug. 22—both Cunard-Donaldson and Dominion Lines.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Aug. 26.

*To Cardiff, Bristol and Swansea.*—New York City, July 27; Bristol City, Aug. 13; Boston City, Aug. 31—all Bristol City Line.

*To Glasgow.*—Sulairia, July 31; Letitia, Aug. 7; Airthria, Aug. 14; Athenia, Aug. 21—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnesk, Aug. 6; Cairnglen (calls at Dundee), Aug. 20—both Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kelso, Aug. 4; Kyno, Aug. 25—both Ellerman's Wilson Line.

*To Dublin and Belfast.*—Dunaff Head, Aug. 7; Fanad Head, Aug. 23—both Head Line (cargo accepted for Londonderry and Cork).

*To Antwerp and Havre.*—Beaverburn, July 31; Beaverhill, Aug. 7; Beaverbrae, Aug. 21; Beavertale, Aug. 28—all Canadian Pacific (do not call at Havre); Columbia, Aug. 2; Grey County, Aug. 25—both County Line.

*To Rotterdam.*—Hada County, July 27; Kings County, Aug. 14; Alaska, Aug. 29—all County Line.

*To Hamburg.*—Anhalt, North German Lloyd Line, Aug. 7; Beaverford, Canadian Pacific, Aug. 14.

*To Copenhagen, Gothenburg and Baltic Ports.*—Korsholm, Swedish-America-Mexico Line, July 29.

*To Norwegian Ports.*—A steamer, Norwegian-America Line, August.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Navemar, Gardiaz Line, Aug. 17.

To *Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo*.—Capo Olmo, July 28; Capo Lena, Aug. 25—both Capo Line.

To *Marseilles, Genoa, Barcelona and Spanish Ports*.—Gunvor, Canada-Mediterraneo Line, Aug. 15.

To *St. John's, Nfld., and St. Pierre-Miquelon*.—Belle Isle, Newfoundland-Canada SS. Co., July 31; Delia (calls at Trinity and Conception Bay ports), Aug. 6; Maisol (does not call at St. Pierre), Aug. 17—both Shaw SS. Co. Ltd.

To *Cornerbrook, Nfld.*—New Northland, Aug. 3; North Voyageur, Aug. 10—both Clarke SS. Co.

To *Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara*.—Colborne, Aug. 6; Chomedy, Aug. 20—both Canadian National.

To *Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras)*.—Cathcart (does not call at Hamilton or Nassau), July 31; Lady Rodney, Aug. 5—both Canadian National.

To *Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara*.—Lionel, July 28; Flint II, Aug. 12—both Ocean Dominion SS. Corp.

To *Brisbane, Sydney, Melbourne and Adelaide*.—Canadian Constructor, July 30; City of Wellington, Aug. 29—both Montreal Australia New Zealand Line.

To *Auckland, Wellington, Lyttelton, Dunedin and Bluff*.—Canadian Highlander, Montreal Australia New Zealand Line, Aug. 25.

To *Manila, Hongkong, Shanghai, Yokohama and Dairen*.—City of Lyons, Canada Far East Line, Aug. 3.

To *Yokohama, Kobe and Osaka*.—A steamer, Kokusai Line, August.

To *Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira*.—Meriones (does not call at Freetown, Lourenco Marques or Beira), Elder Dempster Lines Ltd., Aug. 5.

To *Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta*.—City of Evansville, July 28; City of Johannesburg, Aug. 12—both Ellerman & Bucknall SS. Co.

To *Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar*.—Prometheus, Java-New York Line, Aug. 15.

To *Colombia, Ecuador, Peru and Chile*.—A steamer, Canadian National, monthly

To *Montevideo and Buenos Aires*.—Augvald, Aug. 5; Dagrund, Aug. 15—both Canada-South America Line.

### From Quebec

To *Southampton*.—Empress of Britain, Canadian Pacific, Aug. 1 and 15.

### From Halifax

To *Liverpool*.—Newfoundland, Aug. 1; Nova Scotia, Aug. 18—both Furness Line.

To *London and Hamburg*.—Liberty, Aug. 1; Cold Harbour, Aug. 15—both American Hampton Roads (call at Hull, Leith and Dundee).

To *Aberdeen, Newcastle and Hull*.—Cavallo, Ellerman's Wilson Line, July 28.

To *Copenhagen and Baltic Ports*.—Batory (calls at Gdynia), Gdynia-America Line, Aug. 5.

To *St. John's, Nfld., and St. Pierre-Miquelon*.—Fort Townsend, July 27; Fort Amherst, Aug. 3—both Furness-Red Cross Line; Kong-haug, Newfoundland-Canada SS. Ltd., July 27; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., July 29; Newfoundland (does not call at St. Pierre), Furness Line, Aug. 1.

To *Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara*.—Lady Drake, July 30; Lady Nelson, Aug. 13; Lady Hawkins, Aug. 27—all Canadian National.

To *Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara*.—Lionel, Aug. 1; Flint II, Aug. 17—both Ocean Dominion Line.

To *Santiago (Cuba) and Kingston (Jamaica)*.—Ciss, Pickford & Black Ltd., July 29.

To *Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara*.—Cornwallis, July 27; Colborne, Aug. 10; Chomedy, Aug. 24—all Canadian National.

To *Kingston (Jamaica) and Belize (British Honduras)*.—Cathcart, Canadian National, Aug. 3.

To *Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java*.—Silverteak, Aug. 1; Cingalese Prince, Aug. 22; Silversandal, Aug. 29—all Silver-Prince Line.

### From Saint John

*To Manchester.*—Manchester Brigade, Manchester Line, Aug. 22.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Aug. 5; Lady Hawkins, Aug. 19—both Canadian National.

*To Kingston and Jamaican Outports.*—Harboe Jensen, United Fruit Line, July 31.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—A steamer, American and Indian Line, August.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, Aug. 11; Hiye Maru, Aug. 29; Heian Maru, Sept. 12—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Asia (calls Nagasaki), Aug. 8; Empress of Canada (calls Honolulu), Aug. 22; Empress of Russia (calls Nagasaki), Sept. 5; Empress of Japan (calls Honolulu), Sept. 19—all Canadian Pacific; Ixion, Aug. 2; Talthybius, Aug. 30—both Blue Funnel Line (call at Miike but not at Manila).

*To Shanghai.*—Harlingen, July 30; Stonegate, Aug. 10—both Ocean Shipping Co. Ltd.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Hopecrest, July 31; Kota Agoeng, Aug. 31—both Silver-Java Line.

*To Honolulu, Suva, Auckland and Sydney.*—Niagara, Aug. 12; Aorangi, Sept. 9—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Bear, Aug. 15; Golden Cloud, Sept. 15—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Cape Horn, Aug. 12; Hauraki, Sept. 20—both Canadian-Australasian Line.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—A steamer, Empire Shipping Co., August.

*To Sydney, Melbourne and Adelaide.*—Hartington, July-August; Anglo Indian, August; Harmanteh, August-September—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Nichteroy, Aug. 8; Damsterdyk (calls at Glasgow), Aug. 22; Lochgoil, Sept. 5—all Holland-America Line.

*To London, Liverpool and Cardiff.*—A steamer, Reardon Smith Line, July.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., August.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—A steamer, Empire Shipping Co., August.

*To Scandinavian Ports.*—Buenos Aires, Aug. 10; Canada, Aug. 17; Axel Johnson, Aug. 27—all Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—A steamer, Empire Shipping Co., August.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—Geddington Court, Canadian Transport Co., July 29.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Silverbelle, Aug. 5; Manoeran, Sept. 5—both Silver-Java Pacific Line.

*To Cape Town, Algoa Bay, East London, Durban and Lourenco Marques.*—A steamer, South African Dispatch Line, August.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Hardanger, Aug. 21; Brandanger, Sept. 22—both Empire Shipping Co.

*To Puerto Colombia, Kingston and Tampico.*—A steamer, Gulf Pacific Mail Line Ltd., August.

### From New Westminster

*To London and Liverpool.*—Corrientes, July 30; Gracia, Aug. 6—both Balfour Guthrie & Son (call at Glasgow); Sacramento Valley (calls at Cardiff), Reardon Smith Line, Aug. 3; Pacific Exporter (calls at Glasgow and Manchester), Furness Line Ltd., Aug. 3; Ionic Star (calls at Glasgow, Rotterdam and Newcastle), American Mail Line, Aug. 6.

*To Avonmouth, Cardiff and Barry.*—Tremation, Anglo-Canadian Shipping Co., July 29.

*To United Kingdom Ports.*—Chloe, Anglo-Canadian Shipping Co., July 28; John Bakke, Canada Shipping Co., July 29.

*To Rotterdam, Antwerp and Ostend.*—Fermia, Ocean Shipping Co., Aug. 20.

*To Chinese Ports.*—Rio Dorado, Ocean Shipping Co., Aug. 20.

*To Oriental Ports.*—A steamer, Ocean Shipping Co., July 28.

**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*  
*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, Northern Sumatra, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

*Tientsin:* C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

### Cuba

E. L. McCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

### Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

### Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

### India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

### Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

*Tokyo*: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

*Kobe*: R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

### Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

### Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

### New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

### Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town*: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

*Johannesburg*: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

### United Kingdom

*London*: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London*: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London*: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London*: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool*: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

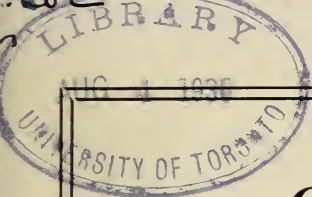
*Bristol*: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow*: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City*: D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



# COMMERCIAL INTELLIGENCE JOURNAL

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No. 1696



Douglas Fir Logs at Tientsin, North China.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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Year	Area Sown Acres	Area Harvested Acres	Pro- duction Bushels	Yields Bushels per Acre		Seed	Imports Bushels	Con- sumption
				Gross	Net			
1927-28.. ..	374,500	335,200	24,550,000	65.5	73.3		42,200	
1928-29.. ..	372,000	303,200	20,900,000	56.2	69.0		482,000	
1929-30.. ..	381,100	328,000	28,070,000	73.7	85.6		557,500	
1930-31.. ..	435,500	292,400	34,390,000	79.0	117.6		17,970	
1931-32.. ..	409,500	347,000	33,800,000	82.6	97.5	1,945		68,000
1932-33.. ..	335,200	307,500	25,400,000	75.8	82.6	37		396,100
1933-34.. ..	334,100	304,000	32,270,000	96.6	106.1	3,160		3,270
1934-35.. ..	374,000	344,500	27,550,000	73.7	79.9	8,700		23,000
1935-36.. ..	370,000	265,500	17,600,000	47.6	66.3	....		.....
Average.. ..	376,211	314,144	27,170,000	72.3	86.4			

In examining this table no trend showing a steady deterioration of the local seed can be discerned. The gradual improvement in yields beginning with the year 1928-29 and ending three years later in the record year of 1930-31 can hardly have any relation to the higher imports during the years 1929 and 1930. Although statistics for these years are not divided into seed and consumption, it is probable that the bulk of the imports were required for consumption as the Netherlands and the United Kingdom were the principal sources of supply, and neither of these countries has been recognized as a source of seed for Argentina in the past.

The virtual crop failure this year is indicated by the severe drop in production as disclosed by the official figures. The fall in production is even greater than shown by the figures, considering that early in the year the sale of 1-ounce potatoes was permitted in view of the shortage, whereas in other years the minimum was  $1\frac{2}{3}$  ounce, the figures of production in each year representing only marketable potatoes.

As far as the yields per acre are concerned, it is probably more accurate to consider the gross yield, since in most cases the unharvested acreage is brought about by poor harvests in certain areas. In 1930-31, however, owing to the low prices caused by the high gross production, estimated at 46 million bushels, many fields were not harvested. Presumably the lower-yielding fields were abandoned, so that even in that year the gross yield is a better indication of the production capacity of the whole country.

#### AREAS OF PRODUCTION

There are three main areas of potato production, of which, up to the present, only one is considered as a good seed-producing zone. In order of relative importance these areas are: Buenos Aires, Santa Fé, and Mendoza. Details regarding the production by zones are given in Table II.

TABLE II: PRODUCTION BY ZONES

	1931-32	1932-33	1933-34	1934-35	1935-36
Buenos Aires—					
Production, bushels.. . . .	22,000,000	13,690,000	19,830,000	13,700,000	6,730,000
Bushels per acre . . . . .	94	67	95	59	30
Per cent loss in acreage ..	4%	11%	10%	10%	40%
Santa Fé—First crop—					
Production, bushels.. . . .	6,840,000	5,780,000	6,910,000	8,290,000	4,210,000
Bushels per acre . . . . .	126	103	108	125	76
Per cent loss in acreage ..	0%	0%	6%	0%	5%
Santa Fé—Second crop—					
Production, bushels.. . . .	(*)	3,420,000	1,500,000	939,500	1,368,000
Bushels per acre . . . . .	.....	86	31	18	39
Per cent loss in acreage ..	.....	0%	27%	59%	0%
Mendoza—					
Production, bushels.. . . .	1,112,000	1,423,000	1,345,000	2,081,000	2,330,000
Bushels per acre . . . . .	45	77	86	82	106
Per cent loss in acreage ..	45%	27%	3%	5%	1%
Other—					
Production, bushels.. . . .	3,860,000	4,525,000	4,140,000	3,466,000	4,290,000
Bushels per acre . . . . .	68	81	89	70	63
Per cent loss in acreage ..	5%	5%	8%	14%	16%

\* Not available.

The yield per acre is calculated in each case on the acreage sown, and the per cent loss is the percentage of loss between the acreage sown and the acreage harvested.

#### BUENOS AIRES

The province of Buenos Aires is divided into two zones. The first and important zone is centred at Balcarce, about 245 miles to the southwest of the capital. This is the main potato-producing area in the republic and is the

source of most of the seed used throughout the country. It produces only one crop each year. The other zone is of less importance. It is to the west of the capital and along the Western Railway main line, and is generally referred to as the Western zone. The area seeded is about 16 per cent of the area of Balcarce. It produces two crops, the second being unimportant; only a much reduced acreage is seeded.

Geographically, however, this area will undoubtedly continue as the main seed and producing zone. The zones in Mendoza and the Rio Negro are under irrigation and the area is limited to the water available; more important, however, is the fact that they are both long distances from the main growing area of Balcarce.

#### SANTA FÉ

There are two crops sown in this province, but the second crop seldom produces yields in proportion to the acreage seeded because of extreme conditions acting on inferior seed. It is customary to use seed from the first crop for this second planting, and the growers seem to regard the second crop as problematical at the best. It will be observed from Table II that, whereas the yields for the first planting are among the highest in the country, the second crop yields are most inferior. Data prior to 1932-33 are not available for the second crop as the production was generally considered too unimportant to record.

#### MENDOZA

The Mendoza zone is divided into several areas, all of which are under irrigation. The most important areas are as follows: San Rafael, 5,160 acres; Tupungato, 4,940; and Tunuyan, 2,470. In addition there is a certain amount of potato seeded around the city of Mendoza. Near Mendoza and in the San Rafael areas there are two crops, the first of which is sown in August or September, and the second in February. The Tupungato and Tunuyan areas lie in valleys of the Andes and have only one crop, which is sown in November.

These last two areas are the most important and might be suitable for seed reproduction. The yields are very high and the rows and plants may be sown very close together owing to the richness of the soil. In fact, unless the plants are placed close together the potatoes are liable to grow to abnormal sizes.

The main disadvantage of these zones is that the area is limited owing to lack of water. In addition, the country is rolling, so that when irrigated a great quantity of water must be fed at one time. As the water is scarce, the fields are flooded only when absolutely necessary, perhaps no more than one to four times each season. In severe seasons this is liable to produce misshapen potatoes.

#### OTHER ZONES

The most important region outside of the principal producing areas is that of the Rio Negro. This is also under irrigation and has about 8,650 acres under potatoes. Córdoba plants about 8,650 acres of potatoes, but these are almost entirely for its own consumption.

Other provinces in a position to supply the capital are the following, with the acreage under crops in parentheses: San Juan (3,000), Jujuy (4,200), Tucuman (4,700), Santiago del Estero (6,600). In fact, potatoes are grown all over the country, but in other areas the crop is used for consumption in the immediate vicinity.

#### VARIETIES CULTIVATED

There are only two varieties cultivated in Argentina to any extent, namely, "Chaqueña" and "Papa Blanca." Both these varieties have been grown for many years. The "Chaqueña" is cultivated to the greatest extent, probably because it is more resistant to disease and apt to give a high yield, and also

because of intense propaganda a few years ago by a group of growers in Balcarce who tried to prevent the growing of the white variety. It is a slightly oval potato with a pink skin but white flesh. No statistics are available regarding the extent of the respective varieties but it is estimated that at least 75 per cent of the Balcarce zone is sown with "Chaqueña." The origin of this variety is uncertain, although it is probable that the stock first came from the United States.

The "Papa Blanca" is probably sown in a greater proportion in the other zones. It is a long white potato that under certain conditions grows to abnormal sizes. It is, however, probably more subject to disease than is the "Chaqueña." It is believed to be a strain of the "American Giant" variety.

#### LAND TENURE AND FARMING METHODS

In general potatoes are grown by tenant farmers who lease the land for one or, at the most, two years. The farms are usually larger than in Canada, a number of producers cultivating as much as 500 acres of potatoes. These larger farms are chiefly owned and operated by firms known as "acopiadores," who also function as local potato buyers. On such farms machinery is used to some extent.

The farms operated by private individuals are usually worked by the family of the tenant. Owing to the short term of lease, no improvements of any kind are put into the buildings, equipment, or land. Land rentals are usually on a cash basis.

Seeding is usually done by hand, both the rows and plants being closer together than is customary in Canada. As a rule the seed is cut, although whole potatoes are used for the second crop in the dry zone of Santa Fé. No fertilizer is used, but in Balcarce the farming system results in the growing of potatoes following cattle pasture. In other areas virgin soils or land that has lain fallow for several years is generally rented.

Little machinery is to be found on the majority of farms because of the low cost of labour. The farmers have no knowledge of diseases, and neither "rogue" nor spray their crops. Storage bins are lacking, and the potatoes are generally piled in the open and covered with corn stalks.

The harvesting period ranges from November to June because of the wide dispersal of the producing areas. The "acopiadores" finance the growers to the extent of paying for the produce delivered at the country railway stations. Thereafter they assume complete charge of the selling of the potatoes in Buenos Aires. There is no consignment business in the domestic trade.

#### COST OF PRODUCTION

No recent figures have been issued covering the cost of production in the potato zones. In the years when potato farming yielded substantial profits to the farmer the rents on lands were as high as 140 pesos per hectare (about \$24 per acre at par), but for some years rents for new land in the Balcarce zone have varied from 20 to 60 pesos per hectare (\$3.43 to \$10.30 per acre at par). These figures represent the rents charged for the first year's tenure, but if leased for two years the rents are usually halved for the second year. Rents in the Rosario zone are considerably higher, being about 100 pesos per hectare (\$17.15 per acre at par), owing to the higher yields and to the fact that there are two crops a year. The cost of the land within each zone depends on its general productive capacity, determined not only by the region but by the number of years the land has lain fallow, and also on its distance from the nearest railway station.

In 1933 figures were published of the cost of production in the zone to the south of Buenos Aires for the year 1932-33, and this data for the main area of Balcarce are given in the following table:—

TABLE III: COST OF PRODUCTION IN THE BALCARCE REGION

	Pesos per Hectare	Equivalent per Acre in \$ at Par
Rental . . . . .	22.50	3.86
Cost of ploughing, seeding and cultivation . . . . .	20.00	3.44
Seed . . . . .	18.00	3.09
Digging and bagging (based on yield of 104 bushels per acre) . . . . .	42.00	7.21
	102.50	17.60
	Kilograms	Bushels
Gross yield . . . . .	7,000	104
Natural wastage . . . . .	900	13
Net yield . . . . .	6,100	91
Required for seed . . . . .	1,200	18
Marketable potatoes . . . . .	4,900	73
Cost of marketing one hectare or acre		
	Pesos	\$
Cost of 70 bags (70 kilograms each) . . . . .	17.15	7.28
Cartage $9\frac{1}{2}$ miles to station . . . . .	14.00	5.94
Cost of loading railway wagon . . . . .	2.10	89
	33.25	14.11
Total cost . . . . .	135.75	31.71
Cost of 10 kilograms at railway wagon . . . . .	.2225	
Cost of 1 barrel (165 lbs.) at railway wagon . . . . .		0.71

No information is available showing the prices paid by the "acopiadores" to the growers, and reliable price information in the Buenos Aires market is not available prior to 1934. It may be assumed that 60 centavos per kilogram is a fair average price for Balcarce potatoes in the Buenos Aires potato market. From this would have to be deducted the handling charges up to the time of sale, amounting to about 1 centavo, and the freight of 14.88 centavos, say a total of 16 centavos. This gives 44 centavos, or about 21 centavos between the cost of production and marketing to the farmer and the theoretical return at the point of delivery. That is to say, out of the 21 centavos the farmer and the "acopiador" must take their gross profit for each 10 kilograms—or 24.6 cents per bushel at par.

The rental paid for land for potato cultivation is certainly higher than the rental paid by the grain farmer, the price paid in 1933 for grain land in the Balcarce section being about 15 pesos per hectare (\$2.58 per acre at par) for land close to the station, as compared with the average of 22.50 pesos paid by the potato farmer.

It will be observed that no allowance is made in this table for capital interest or amortization on equipment, which would not be an important factor owing to the small investments of the growers. The seed requirements have been set at 1,200 kilograms per hectare, although 1,100 kilograms is also a generally accepted figure.

The cost of seed is based on the price of 15 centavos per 10 kilograms. This is an important consideration when a possible price for imported seed is compared with it. If Canadian prices could be quoted on the basis of \$4 per barrel of 165 pounds c.i.f. Buenos Aires, and provided official exchange could be obtained, this would work out at current rates at 1.80 peso per 10 kilograms at the port of Buenos Aires. Thus the minimum at which a farmer could hope to buy imported seed on this basis would be 2 pesos per 10 kilograms as against 15 centavos for local seed.

According to official calculations, the cost of seed in 1932 represented about 13 per cent of the total costs of production and marketing to the growers. Even assuming that Canadian seed would give double the yields in the calculations

used formerly, and assuming the natural loss to be on a smaller scale, the cost of Canadian seed would work out at about 54 per cent of the cost of production. The following table gives the cost of production and marketing of potatoes to the farmer, based on a yield of 14,000 kilograms per hectare (208 bushels per acre) and at a cost of seed of 2 pesos per 10 kilograms:—

TABLE IV: PROBABLE PRODUCTION COSTS USING IMPORTED SEED

	Pesos per Hectare	
Rental . . . . .	22.50	
Cost of ploughing, seeding and cultivation . . . . .	20.00	
Seed . . . . .	240.00	
Digging and bagging (based on yield of 208 bush. per acre)	84.00	
Total cost per hectare . . . . .		366.50
	Kilograms	
Gross yield . . . . .	14,000	
Natural wastage . . . . .	1,200	
Net yield . . . . .	12,800	
Required for seed . . . . .	1,200	
Marketable potatoes . . . . .	11,600	
Cost of marketing one hectare		
	Pesos	
Cost of 166 bags at 24.5 centavos each . . . . .	40.70	
Cartage $9\frac{1}{2}$ miles to station . . . . .	33.20	
Cost of loading railway wagon . . . . .	4.98	
		78.88
Total cost per hectare . . . . .		445.38
Cost of 10 kilograms at railway wagon, pesos . . . . .		.348

On this basis, it will be seen that the cost of production with imported seed is increased very considerably. It is possible that the cost of seed would be generally higher than 15 centavos per 10 kilograms. Rentals are also probably higher for land yielding 7,000 kilograms and at a reasonable distance from the railway. According to one large grower, his rents are 40 pesos per hectare and his ploughing and seeding costs 28 pesos. Using these figures and calculating the usual cost of seed at 72 pesos per hectare, the cost of production and marketing works out at 35.2 centavos per 10 kilograms.

On the basis of this last calculation, it would certainly pay growers to use imported seed if it were to give them yields of even 175 bushels per acre, since the figure of 104 bushels is above the average for the Balcarce zone. The foregoing calculations are, of course, purely theoretical, but they may serve as a basis in the consideration of the possibility of a permanent market for Canadian seed.

### Present Opportunities for Canadian Potatoes

Whatever the durability shown by the local seed in the past may have been, there is no doubt that it has now degenerated to the point where imports are absolutely necessary. Furthermore, the high prices at present being charged for potatoes in Argentina will liquidate all local supplies before the main planting seasons begin.

### TABLE POTATOES

In judging the extent of the market for table potatoes, past figures of imports cannot be taken as a guide, since the country, in recent times, has never been faced with such a crop failure. Already imports have been made from Chile and Uruguay to the amount of about 247,000 bushels and 14,900 bushels respectively, and as soon as other countries have potatoes available for export they will undoubtedly ship to Argentina. Local supplies have almost disappeared and the price of potatoes on the Buenos Aires market has risen to unprecedentedly

high levels. These high prices are the more extraordinary when it is considered that since March the sale of 1-ounce potatoes has been permitted instead of the standard hitherto set of 1½-ounce. It is probable that as soon as foreign potatoes can be imported in quantity prices will be forced down to more reasonable levels.

Judging from the average entries in the Buenos Aires market for July to December for the last two years, this market consumes 4,770,000 bushels in the last six months of each year. Table potatoes during these months will largely have to be supplied from abroad. Although a few new potatoes from the province of Jujuy may be available in October, and from San Juan in November and December, the first shipments in any quantity will begin to arrive from Santa Fé in December.

Consumption will be undoubtedly cut down by the higher prices, but the ultimate volume of imports will largely depend on foreign quotations.

In the past, imports of potatoes for consumption have been made to fill the small opening that may exist each year before the new crops are available, usually during September and October, after which new potatoes begin to arrive from the northern and western provinces. These potatoes have generally been supplied by the Netherlands and Chile, although in 1933 the United Kingdom exported about 295,000 bushels of table potatoes to Argentina. The quantity of imports for consumption is directly dependent on the size of the local crop, and, except in years of absolute crop failure, it is never very large. Thus, while the Argentine market will probably absorb important quantities of table potatoes this year, such business must be regarded purely as of a transitory nature and not likely to occur again on the same scale for many years.

In the table stock trade Canadian shippers are at a certain disadvantage. Unless potatoes can be delivered from Ontario in July or early August, the Netherlands will probably obtain the first of the overseas shipments, which will be a considerable advantage. In addition, price will certainly be the determining factor, and Dutch potatoes have generally been sold at low levels.

It is unlikely that Chile or Uruguay will be in a position to supply many more potatoes, so that the chief competitors should be the Netherlands, Poland, and Germany, and possibly Italy and France. Unless the Government takes over the monopoly in the potato trade (as suggested later in this report), it is possible that the more favourable exchange position of these countries, apart from the low prices usually quoted, might effectively prevent Canada competing for the table potato trade. However, this business should certainly be considered by Canadian shippers and every effort should be made to offer supplies as early as possible.

#### SEED POTATOES

##### REQUIREMENTS

It is generally calculated that a little over 16 bushels of seed are required per acre, so that the seed requirements amount to about 2,226,000 barrels (165 pounds each) for the whole country. Ordinarily the high prices being paid for potatoes this year should tend to increase the acreage, but most of the growers must have lost heavily, and whatever the price of imported seed may be, it will probably be higher than the usual price of Argentine seed. The Government has authorized the expenditure of the sum of 1,500,000 pesos (\$444,000 Canadian) for the purchase of seed, and it is possible that, with this assistance and with help from the banks and other private interests, the acreage may be increased, or in any case not seriously reduced.

For the first crop in Santa Fé there will be little seed available and presumably the acreage in this province will be seriously reduced. In any case, the first seeding in this zone takes place too early to be of interest to Canadian shippers, so that for practical purposes therefore it may be assumed that about

316,000 acres will be accessible to imported seed. These will require 1,840,000 barrels, without taking into account the second planting in Santa Fé, which should offer an additional outlet. Unfortunately, it is not possible to estimate the amount of seed that will be available from local stocks, but it is certain that the bulk of the requirements will have to be imported.

In addition, it is probable that, in view of the low prices quoted for Dutch table potatoes, a certain amount of these and other table stock will be used for seed, so that the potential opening must be reduced considerably and will also depend largely on eventual prices. On the other hand, the fact that the minimum size of commercial potatoes has been reduced to 1 ounce will undoubtedly liquidate a large quantity of small-size potatoes that would ordinarily be used for seed.

It is certain, however, that the volume required will be sufficiently great to enable quotations to be made on the basis of full cargoes, and shippers should be prepared to quote on this basis for direct shipment from Canadian ports to Buenos Aires.

#### SEASONAL FACTORS

In considering the supply of seed, it will be evident that the Balcarce area is the most important from the point of view of area planted. In addition, it is still considered as the seed-producing zone of Argentina. For this area deliveries of seed would ordinarily have to be made from October to November, and consequently Canadian potatoes from the Maritime Provinces could with difficulty be supplied in time. It is therefore most important to quote and to ship as early as possible for this zone.

However, apart from the advantage of having new potatoes available as early as possible, there appears to be no real reason why planting could not be carried on in late November or December without too serious a risk from frosts in the autumn, although in some years lack of rain during the summer might prejudice the crop. Furthermore, the danger from insect pests is probably less if planted at this late date.

For the first, and principal, sowing in Santa Fé, the supply of Canadian seed is impossible, since seeding takes place in July and August. (See Table No. V.) For this zone therefore it would seem advisable to concentrate on the supply of seed for the second crop in February and March. While, owing to the lack of any experimental work, it is difficult to say whether or not certified seed would give better results in this second crop because of difficult growing conditions, nevertheless if it could be shown that imported seed did give fair yields in the second crop, such potatoes could be subsequently used for seeding in the first crop.

TABLE V: SEEDING, HARVEST, AND DELIVERIES

	Seeding	Harvest	Bulk of Deliveries in Buenos Aires
October	Balcarce, Rio Negro	Jujuy	Jujuy, Mendoza
November	Balcarce, Tupungato and Tunuyan (both in Mendoza)	Santa Fé 1, San Juan, Tucuman, Santiago del Estero	San Juan, Jujuy, Tucuman, Santiago del Estero
December	.....	Santa Fé 1, San Juan	Santa Fé 1, San Juan, Santiago del Estero
January	.....	Santa Fé 1, Mendoza (includ. San Rafael)	Santa Fé 1, San Juan
February	Santa Fé 2	West (Buenos Aires), Mendoza	Santa Fé 1, West, Mendoza
March	Santa Fé 2	Balcarce, Rio Negro	Balcarce, Santa Fé 1, West, Mendoza, Rio Negro
April	.....	Balcarce, Rio Negro	Balcarce, Santa Fé 1, West, Mendoza, Rio Negro

TABLE V: SEEDING, HARVEST, AND DELIVERIES—*Concluded*

Seeding		Harvest	Bulk of Deliveries in Buenos Aires
May	Jujuy	.....	Balcarce, Santa Fé 1, West, Mendoza (including Tupungato and Tunuyan), Rio Negro
June	Jujuy	Santa Fé 2	Balcarce, Santa Fé 1 and 2, West, Mendoza, Rio Negro
July	Santa Fé 1, San Juan, Tucuman, Santiago del Estero	.....	Balcarce, Mendoza, Santa Fé 2
August	Santa Fé 1, San Juan, Mendoza (includ. San Rafael)	.....	Balcarce, Mendoza
September	West (Buenos Aires)	Jujuy	Balcarce, Mendoza, Jujuy

NOTE.—Numerals denote first or second crop as the case may be.

Other early zones include the San Rafael area and the vicinity of the city of Mendoza in the Mendoza zone, San Juan, and the Northern Provinces. Seeding takes place in July and August in these areas, but the demand from such zones is relatively unimportant. Seed is also required in September for the area to the west of Buenos Aires.

For the Rio Negro, and for the valleys of Tupungato and Tunuyan in Mendoza, deliveries would be required in October and November, so that the only zones for which it would be definitely impossible to supply from Canada would be the important area of Santa Fé for the first crop, and the unimportant zones of San Juan, parts of Mendoza, and the more northern provinces.

As far as the Canadian varieties are concerned, it cannot be said that any one has been found to be better suited to Argentina than others, but it is certain that the "Green Mountain" more closely resembles the long white variety, "Papa Blanca," cultivated here, and as such it has a definite advantage. In addition, the few shipments made from Canada to Argentina last year were mostly "Green Mountain," and as the results obtained were very much superior to those from local seed, it has helped in establishing it as a possible successor to the "Papa Blanca." Furthermore, the potato chiefly imported from Canada in recent years has been the "Green Mountain," so that it is perhaps better known than the other varieties. Other Canadian varieties are practically unknown, except the "Early Rose," which is not favoured, so that the only guide is that the market favours a white-skinned and elongated potato. It has already been noted, however, that the pink "Chaqueña" is grown in the largest proportion in Argentina, so that it is possible that pink or red potatoes could be introduced successfully.

In addition, there are various importers and commission agents, and a few large growers and corporations, who might be able to absorb sufficient quantities to enable them to import direct. The activities of this group will naturally depend on the final Government action, but they should be an important factor operating independently or through the Government. With many such contacts price would ordinarily be the only factor considered, so that should the Government plan materialize, Canada would obtain a wider share of their trade than otherwise.

#### COMPETITION, PRICES, AND TERMS

Whatever demand may develop for both seed and table stock, there will be severe competition for the business, particularly from the United Kingdom, Denmark, Germany, France, and the Netherlands. Although prices in the local market are high, as soon as Dutch potatoes begin to arrive in quantity, prices may drop slightly. A firm of Dutch exporters are already offering, for August delivery through a commission agent, table potatoes of the "Eigenheimer" variety, which is said to have a slightly yellow flesh, at 8s. per crate of 50 kilo-

grams c.i.f. Buenos Aires. This price works out at 1.36 peso per 10 kilograms, and with the duties, at 1.51 peso, which is under local quotations.

In so far as seed potatoes are concerned, it may well be that the less wealthy growers may use cheap table stock for planting if the seed price rises too high. It should be remembered that Canadian potatoes have no advantage from reputation in this market. Thus any attempt to unduly raise the level of prices in Canada, as a result of the numerous inquiries forwarded this year, should be discouraged.

Only terms of irrevocable letter of credit should be offered by Canadian shippers, and there should not be undue difficulty in having such terms accepted by local importers.

#### REGULATIONS AND DOCUMENTATION

The regulations covering the importation of potatoes require that all shipments must be accompanied by an inspection and health certificate, in addition to the usual shipping documents, which must be viséd by an Argentine consul. No definite number of such certificates is specified, but as four copies of the consular invoice are required, at least four certificates would be necessary.

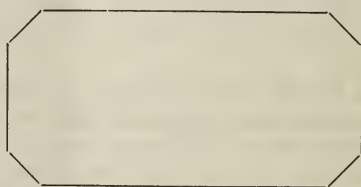
Only seed that has been duly certified may be imported as such and obtain the freedom of duty. Each container must have the label of certification attached to it, which must show the variety, or else it must be stamped elsewhere on the container. The freedom of duty for certified seed is only accorded to crates or boxes, but this is undoubtedly to prevent imports in bags, and it should be possible to have it extended to barrels if necessary—that is, if all duties on potatoes are not raised.

#### PACKING

Formerly all seed potatoes have been imported in crates of 30 or 50 kilograms net. A few shipments of table stock in bags have been attempted from overseas, but the results have not warranted the continuance of this method. The barrel package is not known, but there has been no determined objection to this form, if the regulations mentioned previously can be altered accordingly.

Owing to labour legislation the largest package that may enter the Buenos Aires potato market is 70 kilograms gross, so that the 75-kilogram barrel from Canada might be imported with difficulty.

If cases are shipped, it is important that they are strong and well wired to prevent breakage. To ensure maximum ventilation it would also be advisable to cut the corners off the ends so as to make the crate the following shape:—



#### MARKETING CHARGES

All potatoes entering Buenos Aires for sale must pass through a central potato market. This market charges a tax of 3 centavos (0.89 cent) per package of any size, which entitles the owner to free storage for five days. The charge for the next five days is 2 centavos (0.59 cent) per day, for the following five days 4 centavos (1.18 cent) per day, and for each subsequent day 10 centavos (2.69 cents). The unloading charges are 3 centavos per package, and loading charges 5 centavos (1.48 cent). The cartage from either railway station to the market is 94½ centavos (28 cents) per metric ton, so that the total handling charges in Buenos Aires work out at about 2.64 centavos (0.78

cent) per 10 kilograms. The cartage from the railway to the market is carried out by licensed trucking firms, who have secured the rights by bidding on the haulage rate.

The freight rates from the principal zones are as follows, in pesos per metric ton: Balcarce, 14.88 pesos (\$4.40); Rosario (Santa Fé), 14.50 pesos (\$4.29), in 10-ton lots 11.20 pesos (\$3.32), and in 20-ton lots 10.68 pesos (\$2.98); Mendoza, 17.32 pesos (\$5.13). The rate for seed potatoes sent to Mendoza from Buenos Aires is reduced to 11.22 pesos (\$3.22).

### Future Opportunities

The future market for imported potatoes is uncertain. As soon as normal crops are obtained, the outlet for consumption potatoes will be small and of no value to Canada, but there is a possibility that some seed will be imported annually in the future.

Here again this possibility rests almost entirely with the Government. The latter, as already stated, are convinced that it is not necessary to supplement local seed each year by imports, and believe that after this year no imports will be necessary. It is argued that good seed taken from one area to another maintains its original good properties for one year, after which, if the soil and climatic conditions are not equal to those under which the seed was originally cultivated, degeneration is rapid. In theory, therefore, the Government experts feel that if good seed can be found in areas in which the climate and soil most closely resemble those of the Balcarce area, the problem will have been solved. Furthermore, they have the indisputable fact that the local seed has served the growers well for many years.

If therefore the importation of seed potatoes is not discouraged by official action in the future, Canada's opportunities of having a more or less permanent outlet depend very largely on the success of the seed imported this year, and the larger the proportion of total imports obtained from Canada the wider will be the publicity. In short, for the first time in years there is an opportunity to ship seed to this market, and such an occasion may not occur again for a long time, so that the opportunity should on no account be jeopardized by a desire for too high a price.

The Balcarce area will certainly remain as the principal opening for any imported seed, if only because it is the most economically situated to supply the Buenos Aires market. In any case, the Santa Fé first crop is too early to be of interest, but there is the possibility of supplying a part of the seed for the second crop with a view to providing seed for the first. Of the zones that appear to have better climatic conditions for seed reproduction, such as the Rio Negro, Tupungato, and Tunuyan, it may be said that these cannot become large producers because of their inaccessibility and limited acreage.

### SECOND ESTIMATE OF THE ARGENTINE GRAIN CROP FOR THE 1935-36 SEASON

Mr. J. A. Strong, Canadian Trade Commissioner in Buenos Aires, writes under date July 4, 1936, that the second official estimate of production of grain in Argentina for the 1935-36 crops as issued by the Director General of Statistics of the Ministry of Agriculture gives the following yields—first estimate within parentheses: wheat, 139,460,000 bushels (143,864,000 bushels); flaxseed, 52,269,000 bushels (50,304,000 bushels); oats, 33,696,000 bushels (32,400,000 bushels); barley, 21,114,000 bushels (22,032,000 bushels); rye, 4,991,100 bushels (5,502,000 bushels); and birdseed, 24,000 metric tons (26,000 tons). This second

estimate reduces the former estimate by 4,404,000 bushels in the case of wheat, and for barley includes 12,852,000 bushels of malting barley.

This second estimate may be compared with the last five-year average annual production in Argentina—five-year average within parentheses—as follows: wheat, 139,460,000 bushels (243,644,217 bushels); flaxseed, 52,269,000 bushels (74,217,696 bushels); oats, 33,696,000 bushels (60,758,748 bushels); barley, 21,114,000 bushels (27,086,553 bushels); rye, 4,991,100 bushels (9,855,929 bushels); and birdseed, 24,000 tons (35,819 tons).

## DISTRIBUTION OF ELECTRICITY IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, July 9, 1936.—The Ministry of Transport have issued the report of the Committee on Electricity Distribution, which was appointed with the following terms of reference:—

To bring under review the organization of the distribution of electricity in Great Britain, including the control of statutory electricity companies by other companies, to advise on methods by which improvements can be effected with a view to ensuring and expediting the standardization of systems, pressures and methods of charge, further extending facilities (including supplies in rural areas) and reducing costs, and to make recommendations.

According to evidence taken by the committee, there were at March 31, 1934, 643 geographically separated undertakings supplying electricity in the United Kingdom. In the London area alone the number of authorized undertakings was 82. The existence of so many undertakings supplying electricity at different tariffs and at different voltages and offering unequal facilities for the hire and hire-purchase of apparatus, and schemes of assisted wiring, etc., is clearly detrimental to the furtherance of a cheap supply of electricity throughout a particular area. This has given rise to justifiable complaint on the part of consumers.

### STANDARDIZATION OF SYSTEMS AND VOLTAGES

On the subject of the standardization of systems and voltages, in which Canadian manufacturers exporting electrical appliances to the United Kingdom are particularly interested, the committee state that, so far as standardization of frequency is concerned, this is being rapidly accomplished under schemes adopted by the Central Electricity Board in pursuance of the Electricity (Supply) Act, 1926. The two principal points which received their consideration therefore were:—

(1) Whether all existing direct current supplies should be changed over to alternating current, and

(2) Whether it is practicable and desirable that all distribution voltages should be standardized on the basis recommended by the British Engineering Standards Institution and advocated by the Electricity Commissioners, namely 230 volts with its equivalent of 400 volts applied to power.

On the first point, statistics show that at the end of the year 1933-34, 282 undertakings were supplying alternating current only; 283 were supplying both direct and alternating current; and 77 were supplying direct current only. Complete standardization of systems would therefore affect no less than 360 separate undertakings. A number of these undertakings are in the transitional stage of changing over from direct to alternating current.

The total number of direct current units sold by all undertakings represents approximately 20 per cent of the total sold to consumers. While complete standardization is regarded as a desirable ideal, the chief deterrent is the expenditure involved in effecting changes, including, *inter alia*, the cost of altering apparatus on consumers' premises to suit the new system or voltage of supply.

In view of the difficulties, the committee do not feel justified in recommending complete and immediate standardization of voltage. This objective will, however, be expedited by the reorganization of the industry which they suggest.

#### STANDARDIZATION OF METHODS OF CHARGE

The charges for electricity are also varied in different areas, and the present confusion justifies public criticism and is one of the most pressing matters which call for reform. These difficulties arise largely from the multiplicity of undertakings. All progressive supply undertakings recognize that any substantial expansion in demand, particularly for domestic and shop and office supplies, can only be secured by offering to consumers what is known as an "all-in" or a "two-part" tariff. The most common type of two-part tariff consists of:—

(a) A fixed quarterly or annual charge, which is based on some defined factor (e.g. floor area, number of rooms, rateable value, maximum demand), and is payable irrespective of the number of units used.

(b) A low running or unit charge payable in respect of each unit actually consumed.

The committee state that it is not practicable to specify any general level to which the unit charge under a two-part tariff should be reduced. It has been suggested, and they agree, that a unit charge of  $\frac{1}{2}$ d. is sufficiently advantageous to the consumer to encourage the use of electricity for practically all domestic purposes. Many undertakings are now offering a two-part tariff with a unit charge of  $\frac{1}{2}$ d. or even less. It is recognized that in some cases so low a rate may not be immediately practicable, especially in the rural areas and during the early stages of development. It should, however, be an objective to be attained.

The committee point out that amalgamation will be an important step towards standardization of methods and charges and more uniform prices, and recommend that the Minister of Transport should be empowered to require all undertakers to offer an approved statutory two-part tariff for domestic supplies as an optional alternative to a flat rate charge.

#### RECOMMENDATIONS FOR IMPROVEMENT

The committee recommend the appointment of district commissioners to work out detailed plans for the reorganization of electricity distribution to consumers. The committee state that the essential features of any scheme of reorganization must be:—

(a) A substantial reduction in the present number of undertakings by the substitution where appropriate of larger and more economic units;

(b) the prevention of the splitting up of comprehensive undertakings in consequence of the exercise of rights of purchase by individual local authorities;

(c) the elimination of duplicate powers wherever they exist in the same area.

Reorganization should be based on the retention and utilization, where possible, of the larger and more efficient of the existing undertakings and the absorption by such undertakings of the smaller or less efficient undertakings.

Any attempt to carry through a scheme of reorganization on a voluntary basis is bound to fail and legislation must confer definite and adequate compulsory powers.

The schemes of reorganization should make provision for the possibility of ultimate public ownership of all undertakings, including those not at present subject to purchase by the local authorities.

#### DELIMITATION OF COUNTRY INTO AREAS

No undertakings should be transferred compulsorily under a scheme of reorganization without a prior local investigation. To this end the Electricity Commissioners should be empowered to delimit the country into a number of areas and to appoint for each area a temporary district commissioner, with such technical and financial assistance as may be necessary.

All undertakings in an area should be brought under review by the district commissioner. It should be his duty to prepare and submit to the Electricity Commissioners a scheme or schemes of reorganization for the area. Advisory committees comprising representatives of the undertakers in each area should be appointed to assist the district commissioner in a consultative capacity.

After schemes have been prepared simple machinery should be available for giving effect to them without undue delay. The Electricity Commissioners, after publishing a scheme and considering any representations, should be empowered to approve it without modifications. It should thereupon become operative in cases where:—

(a) the scheme is agreed by the undertakers concerned, or

(b) the individual output of any undertakings proposed to be acquired compulsorily under the scheme did not exceed 10 million units in the year ending March 31, 1936.

In any other cases a scheme when approved by the Electricity Commissioners should not become operative unless confirmed by the Minister of Transport and approved by Parliament.

#### EXTENSION OF FACILITIES

In order to provide for the extension of facilities, the committee suggest that it should be competent for reorganization schemes to provide for distribution mains of adequate capacity being laid within a prescribed period in built-up streets in urban areas where such mains are not already laid. The creation of a demand in small-scale property should be encouraged by the offer of facilities for hire and hire-purchase of apparatus.

#### RAISING OF NEW CAPITAL

New capital must be raised on the cheapest possible terms, and used to the best advantage, and the consolidation of the various electricity acts is also recommended. The committee are satisfied that the application of their recommendations will result in an improved organization of the electricity supply industry, which will be reflected in more widespread supplies at lower and more uniform charges. They point out, however, that the improvement must, under the best conditions, be necessarily gradual.

### LONG-TERM MEAT POLICY OF THE UNITED KINGDOM

W. A. WILSON, ANIMAL PRODUCTS TRADE COMMISSIONER

London, July 9, 1936.—According to a statement made in the House of Commons on July 6 by the British Minister of Agriculture regarding the proposed long-term policy relating to imported beef and to the home live cattle industry, it is proposed to continue a measure of regulation of these imports on the basis of a maximum supply for the consumer consistent with a reasonable price level for the producer. The Government desire that the responsibility for securing stable market conditions be assumed by the producers in the various countries concerned and exercised in the light of joint discussion of the problems involved.

#### REPRESENTATIVE ORGANIZATIONS

This it is proposed to secure by the institution of an Empire Meat Council representative of the United Kingdom and other Empire countries concerned, and an International Meat Conference which, in addition to the above representation, will embrace foreign countries supplying substantial quantities of meat to the British market. It will be proposed that, unless agreed otherwise by the conference, aggregate exports to this market of beef (frozen and chilled and the beef equivalent of fat cattle) during each of the next three years should not exceed recent levels.

Further proposals as to the market regulation which mainly affected the exporting countries are under discussion with the Governments of the countries concerned, details of which will be given in due course, and the Government have given earnest consideration to the position of the United Kingdom cattle producer under these arrangements, and they propose to invite Parliament to make provision for a permanent scheme for the payment from the Exchequer of a subsidy to the producers of fat cattle in the United Kingdom which, while not stimulating an artificial expansion of the home industry, will continue for so long as and to the extent that the situation may require.

#### PROPOSED LEGISLATION AFFECTING CHILLED AND FROZEN BEEF

While negotiations pertaining to the renewal of the Trade Agreement with the Argentine Government have not been finalized, the minister stated that in any event Parliament will be invited immediately after the summer recess to pass legislation providing for the collection of customs duties on imports of chilled and frozen beef from foreign countries. The revenue derived from these duties will accrue directly to the Exchequer. It is not proposed, as part of the arrangements under contemplation, that there should be duties on imports of beef from Empire countries, or on mutton and lamb from any country.

#### SUBSIDY PAYMENTS

It is estimated that if adequate provision is to be made in one form or another for the needs of the United Kingdom cattle industry, the aggregate financial assistance now given to it must be increased until such times as the conditions prevailing in the industry improve. The authority of Parliament will be asked to apply to the assistance of the industry such sums, not exceeding £5,000,000 per annum, as may from time to time be needed. Parliament will be asked annually to make provision for a sum not exceeding this amount. On the present basis of subsidy payments, the annual expenditure is about £3,750,000.

As an offset to the subsidy liability, the Exchequer will benefit to the extent of the revenue from the import duties on foreign beef. The Government are desirous of providing that the payments to the home producer of fat cattle under the permanent scheme shall be so adjusted as to give further encouragement to quality production. The Cattle Committee, who administer the present temporary subsidy, have for some time been considering the practical aspects of measures to this end, and they will now consult with the various interests with a view to reaching a decision on the details of its operation.

As regards mutton and lamb, imports of which are at present regulated in the case of foreign countries under statute, and in the case of Dominion imports by voluntary arrangements, the Government propose to continue the present system for the year 1937. In due course the question will be one for consideration whether, after 1937, the International Meat Conference, in association with the Empire Meat Council, which it is proposed to set up, should operate in regard to the imports of mutton and lamb into the British market.

#### REGULATORY POWERS

As a precautionary measure against any possible breakdown in the arrangements that are contemplated for the stabilization of the meat market, Parliament will be asked to provide general powers to regulate imports of live stock and meat should the need arise.

Before the House rises for the summer recess it will be invited to pass a short interim measure extending, without modification, the existing cattle subsidy arrangements until, if necessary, July 31, 1937, and legislation to give effect to the permanent proposals, including measures for the encouragement of promotion of efficiency, will be placed before Parliament early next session.

## WHEAT AND FLOUR IMPORTS INTO SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

### WHEAT

Glasgow, July 16, 1936.—The following table will show at a glance the wheat import position of Scotland during the first six months of this year, in comparison with the corresponding period of the years 1933 to 1936, and 1929.

It will be seen that the total imports of wheat into Scotland this year were roughly equivalent to those of the same period of last year and of 1929, and exceeded rather substantially the imports in 1934 and 1933.

Canada's share of the trade was almost 58 per cent as compared with 66 per cent in 1935, 66½ per cent in 1934, 62 per cent in 1933, and 64½ per cent in 1929. Although France shipped 88,000 cwts., or nearly 3 per cent, Canada's only real competitor was Australia, whose share of the total was nearly 33 per cent as compared with 16 per cent last year, 27 per cent in 1934, 31 per cent in 1933, and 13 per cent in 1929. Shipments from Argentina were negligible.

### *Wheat Imports into Scotland January to June (inclusive)*

From	1936	1935	1934	1933	1929
		Figures in Cwts. of 112 Lbs.			
Total . . . . .	3,003,363	3,062,569	2,654,240	2,574,122	2,949,654
Canada . . . . .	1,736,789	2,030,750	1,758,344	1,594,978	1,906,901
Australia . . . . .	988,405	500,856	722,189	808,909	393,053
France . . . . .	88,011	193,627	.....	.....	.....
Germany . . . . .	.....	55,220	45,418	48,236	70,050
United States . . . . .	.....	40,976	.....	10,000	392,650
Russia . . . . .	.....	.....	14,498	.....	.....
Belgium . . . . .	20,735	54,780	.....	.....	.....
Lithuania . . . . .	32,101	34,480	.....	.....	.....

At the end of last week (July 11) the British Wheat Commission made an advance payment to registered wheat growers at the rate of 2s. 9d. per cwt. (12s. 4½d. per quarter) in respect of 4,615,400 cwts. (1,025,600 quarters) of wheat vouched for by 26,389 wheat certificates delivered to the commission between April 4 and June 25. The aggregate amount of the advance was approximately £634,600, which was paid to 19,400 registered growers.

### FLOUR

### *Flour Imports into Glasgow and Leith (Excluding Coastwise and Rail Shipments) January to June (inclusive)*

From	1936	1935	1934	1933	1929
		Figures in Cwts. of 112 Lbs.			
Total . . . . .	1,397,320	1,155,449	1,192,554	1,070,992	1,473,516
Canada . . . . .	720,162	803,135	737,932	615,354	787,903
Australia . . . . .	336,925	272,475	342,790	364,594	229,276
United States . . . . .	21,487	28,959	53,970	63,589	425,891
France . . . . .	9,295	19,908	28,879	18,304	9,643
Belgium . . . . .	3,320	5,024	10,196	4,983	.....
Danzig . . . . .	6,120	11,100	.....	.....	.....

From these figures it will be seen that Canada's share of the import trade this year at these two ports was 51½ per cent as compared with 69 per cent in the same period of 1935, 61½ per cent in 1934, 57½ per cent in 1933, and 50 per cent in 1929. Australia's contribution was 24 per cent as compared with the same proportion in 1935, 28½ per cent in 1934, 34 per cent in 1933, and 16 per cent in 1929.

Arrivals at these two ports by coast and rail amounted to 245,370 cwts. as compared with 316,159 cwts. in 1935 and 275,280 cwts. in 1934.

## SCOTTISH PRODUCE MARKETS

J. M. BOYER, ASSISTANT TRADE COMMISSIONER

Glasgow, July 10, 1936.—In previous semi-annual reports from this office dealing with the imports of ham, bacon, cheese, butter, and eggs into Scotland, the available statistics have covered the ports of Glasgow and Leith only. This year it has been possible to obtain figures for the whole of Scotland, and this difference should be kept in mind when comparing this year's imports with those of previous years. Actually there is little difference between total Scottish imports and combined imports at the two largest ports. About 5 per cent of Scottish imports of these commodities are entered at ports other than Glasgow and Leith.

## BACON

Imports of bacon into Scotland from the principal sources of supply for the first six months of 1936, 1935, 1934, and 1933 are shown in the following table:—

*Imports of Bacon into Scotland, January to June*

Country of Origin	1936 Cwts.	Glasgow and Leith only		
		1935 Cwts.	1934 Cwts.	1933 Cwts.
Total from all countries . . . . .	64,912	91,331	104,207	177,871
Denmark . . . . .	43,090	61,489	75,087	140,733
Netherlands . . . . .	6,977	9,085	12,402	23,181
Canada . . . . .	2,744	6,802	8,561	3,270
Irish Free State . . . . .	9,270	12,064	5,615	5,261
Sweden . . . . .	966	1,245	1,632	4,908

The decline in total imports, noted in previous reports, is shown in even more marked a degree by this year's figures. Domestic production is increasing steadily, and imports from all countries are consequently curtailed.

In spite of reduced imports, there remains a very substantial demand for imported bacon and considerable scope for Canadian exporters to gain a far larger share of this trade.

The present delivered prices of imported bacon per cwt. are as follows: Danish, 91s. to 93s.; Swedish, 87s. to 89s.; Dutch, 87s. to 89s.; Polish, 83s. to 85s.; and Canadian, 83s. to 85s.

## HAMS

Imports of hams from the principal sources of supply for the first six months of 1936, 1935, 1934, and 1933 are shown in the following table:—

*Imports of Hams into Scotland, January to June*

Country of Origin	1936 Cwts.	Glasgow and Leith only		
		1935 Cwts.	1934 Cwts.	1933 Cwts.
Total from all countries . . . . .	22,533	34,984	45,612	52,542
United States . . . . .	19,765	30,019	38,178	42,715
Canada . . . . .	851	3,563	6,272	5,946
Irish Free State . . . . .	1,920	1,397	1,048	3,237

With hams, as with bacon, increased pig production in Scotland has tended to reduce imports during the past four years. Receipts of hams from Canada during the period under review have been much less than in any similar period since 1932. This is due possibly to the fact that the Scottish market has not been catered to with sufficient persistence by Canadian shippers and that the prices offered here have at times been less attractive than in other parts of Great Britain. Canadian hams are well liked, and members of the trade, while recognizing the price situation, believe that regularity of supply would eventually increase the demand.

The demand for imported hams is likely to increase with relation to the demand for other pork products, due to the fact that the Scottish pork producer prefers to sell his carcasses as Wiltshire sides rather than cutting them up into hams, shoulders, etc.

The present price of good A.C. hams weighing from 14 to 16 pounds is from 97s. to 98s. per cwt., and for those weighing 16 to 18 pounds, 96s. to 97s.

### CHEESE

The following table shows cheese imports from the principal supplying countries for the first half of each year from 1934:—

#### *Scottish Cheese Imports, January to June*

Country of Origin	Glasgow and Leith only		
	1936 Cwts.	1935 Cwts.	1934 Cwts.
Total from all countries . . . . .	68,184	77,114	87,413
New Zealand . . . . .	56,624	61,135	78,644
Netherlands . . . . .	7,986	8,295	6,050
Australia . . . . .	.....	6,602	8
Canada . . . . .	2,473	439	2,196
Denmark . . . . .	941	316	292
Irish Free State . . . . .	151	199	.....
Switzerland . . . . .	168	34	202

The position of Canadian cheese on this market has interesting aspects. It is recognized by the trade as the finest-quality imported cheese of its type. The best-informed retailers are aware that when it is properly matured for seven or eight months or longer it has a sharp appetizing flavour approaching closely, if not in fact equalling, the flavour of the best home-produced cheddar. To the consumer seeking that kind of cheese Canadian is scarcely distinguishable from the home product and will fetch as high a price, say 1s. per pound.

It is difficult, however, under present circumstances for any but a small percentage of the Canadian cheese offered on this market to be sold well-matured at a high price. The bulk of it is sold in direct competition with New Zealand and other varieties of young cheese which at present bring about 8d. per pound retail.

The difficulty in increasing sales of matured cheddar is shown by the accompanying statistics of cheese imports. What might be termed fancy cheeses, such as Italian Gorgonzola, Swiss Gruyère, and French Camembert, are imported in relatively small quantities—the French varieties, in fact, are so negligible in volume as not to be included among statistics of principal imports. Matured Canadian cheese is not as expensive to the consumer as the above-mentioned fancy cheeses. Nevertheless, as the market for fancy cheeses is demonstrated to be restricted, so, in lesser degree, is there restriction on the amount of Canadian cheese which can be sold at a premium.

The really large market for cheese just now is for varieties that can be sold cheaply to the vast number of people who use it as a food rather than as a delicacy. It is possible that, in time, the fine quality of Canadian cheese will impress itself on the Scottish public to such an extent that it will be in greater demand for keeping and maturing.

The present wholesale prices of various types are: Canadian finest white, 66s. to 68s. per cwt.; New Zealand, 58s.; Australian, 56s. 6d.

### BUTTER

The imports of butter into Scotland for the first half of each year, beginning with 1934, from the principal sources of supply are shown as follows:—

*Scottish Butter Imports, January to June*

Country of Origin	Glasgow and Leith only		
	1936 Cwts.	1935 Cwts.	1934 Cwts.
Total from all countries . . . . .	437,811	467,895	444,753
Denmark . . . . .	191,356	236,210	250,115
New Zealand . . . . .	101,816	84,335	91,005
Australia . . . . .	40,577	58,958	42,069
Netherlands . . . . .	54,693	42,650	14,787
Irish Free State . . . . .	38,084	32,572	16,067
Sweden . . . . .	9,923	11,851	26,973
Latvia . . . . .	.....	1,065	3,283

Among imported butters, Danish and New Zealand are the most highly regarded in this market. Some interest has been shown in Canadian butter during the past few weeks, but, as it has been off this market since 1933 and was never prominent in it, little is known about its quality and it will probably have to be sold at a slight discount to obtain an entry. It is considered important that high quality be maintained in order to achieve for it a satisfactory reputation that will bring repeat business when market conditions permit.

The current wholesale prices of butter per cwt. on the Glasgow market are as follows: Danish, 114s.; Lithuanian, 98s. to 100s.; Latvian, 98s. to 100s.; Dutch, 97s. to 100s.; New Zealand, 105s. to 106s.; and Australian, 104s. to 105s.

## EGGS

Scottish imports of eggs for the first half of each year from 1934 to date are shown below:—

*Scottish Egg Imports, January to June*

Country of Origin	Glasgow and Leith only		
	1936 Figures in Great	1935 Hundred	1934 Hundred
Total from all countries . . . . .	1,381,427	1,329,636	1,298,859
Irish Free State . . . . .	557,237	641,822	837,088
Denmark . . . . .	359,790	350,160	287,926
Poland . . . . .	315,598	165,158	84,135
Netherlands . . . . .	62,214	74,920	6,457
Finland . . . . .	9,189	20,178	8,616
Sweden . . . . .	8,604	12,132	6,810
Belgium . . . . .	27,228	11,072	3,495
Germany . . . . .	.....	3,562	7,047
Australia . . . . .	15,385	8,658	2,115
China . . . . .	.....	31,624	49,980
Canada . . . . .	15,261	5,250	1,500
Roumania . . . . .	36,196	4,800	3,600
.. Estonia . . . . .	.....	300	.....

The decline in imports from the Irish Free State and the increase from Continental sources, which was noted in a report for the corresponding period of 1935, has been accentuated, according to the figures for the first half of 1936.

Canada's share in the trade is still relatively small but has increased rapidly in the past three years. This increase is due, at any rate partly, to the high quality and grading of Canadian eggs shipped to Scotland. Occasional break-ages have been noticed owing to defective packing.

Eggs are selling on the Glasgow market at present at the following prices per great hundred (120 eggs): finest new-laid country, 15½ pounds, 9s. 6d.; finest new-laid Danish, 15½ pounds, 8s. 3d.; and finest new-laid Irish, 15 pounds, 7s. 8d.

The Canadian eggs brought in recently may have fetched somewhat higher prices than the present market, as they are being stored for distribution at a later date.

## CHANGE OF ADDRESS: NEW YORK OFFICE

The office of the Canadian Trade Commissioner in New York City has been transferred from 25 Broadway to the British Empire Building, Rockefeller Center.

## MR. COSGRAVE'S TOUR IN CANADA

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Melbourne, is at present on tour in the interest of Canadian trade with Australia. His itinerary will be continued as follows:—

Hamilton.. . . . .Aug. 4 and 5	Kitchener .. . . . .Aug. 10 and 11
Brantford. . . . . .Aug. 6	Windsor.. . . . .Aug. 12 and 13
St. Catharines . . . . .Aug. 7	London .. . . . .Aug. 14 and 15
Niagara Falls .. . . .Aug. 8	Toronto .. . . . .Aug. 29 to Sept. 12

Firms who wish to be brought in touch with Mr. Cosgrave should communicate, for Toronto, with the office of the Canadian Manufacturers Association, and for the other cities with the respective Board of Trade or Chamber of Commerce.

## CURRENT ECONOMIC CONDITIONS IN GERMANY

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(R.M.1 is approximately equal to Can.\$0.40)

Hamburg, July 9, 1936.—Recent efforts on the part of the German Government to improve and consolidate economic relationships with various countries in Southeastern Europe reflect the obvious necessity of settling overdue balances owing to such states, and the desire to utilize the situation as a means of encouraging continued purchases of German products. In exchange for these Germany presumably will divert a part of her import trade from other sources to these particular countries. The reported conclusion of agreements with Italy, Yugoslavia, and Greece indicate that some progress along these lines has already been accomplished. It is believed, however, that this economic rapprochement with Southeastern Europe will lead rather to further diversion of a part of Germany's trade from traditional lines than to any permanent or valuable expansion in its volume.

### STATISTICS OF FOREIGN TRADE

The following table of imports and exports during the months January-May is of interest in that it reflects a general maintenance of a favourable balance but a gradual decline in total trade values. Both of these phenomena are a result of the severe regulation by the Government of all foreign business. The favourable balance accrues from the limitation of imports and the artificial stimulation of exports; the decline in total value is the inevitable result of the operation of any scheme of this nature at a time when world trade is still depressed and when the principle of self-protection figures so largely in all economic and tariff policies.

### *Foreign Trade of Germany, January-May, 1936*

	Imports	Exports	Total	Balance
	In Thousands of Reichsmarks			
January .. . . . .	363,600	381,800	745,400	+18,200
February .. . . . .	333,800	373,500	707,300	+39,700
March.. . . . .	365,600	379,000	734,600	+23,400
April.. . . . .	360,600	365,500	726,100	+ 4,900
May .. . . . .	337,200	372,000	709,200	+34,800

### CANADIAN EXPORTS TO GERMANY

Canadian exports to Germany during the first quarter of the year are recorded in German returns as having been valued at R.M.5,027,000. This figure exceeds that for the corresponding quarter of 1935 by R.M.1,682,000. The increase is almost entirely due to German purchases of nickel ore during the latter period, which amounted in value to R.M.2,323,000 as against a complete recorded absence of such business during the first quarter of 1935. There were also increases in Canadian exports of wool, lead, and several other commodities, whereas business in apples, fish products, pulp, and numerous other goods now regarded as non-essential to German economy has ceased entirely or fallen to unimportant figures.

### BARTER SYSTEM

It is becoming increasingly evident that the system of barter trade, referred to in *Commercial Intelligence Journal* No. 1690 (June 20), page 1216, and under which all but a few Canadian goods might be sold to Germany only in exchange for three times as great a value of German products, is proving ineffective, except in so far as it has led to a virtual termination of Canadian sales to Germany of all commodities affected. The scheme has found small favour not only with the Canadian export community but also with the great majority of German importers trading in Canadian products, and while it may conceivably remain in force for some time, the business transacted under its provisions must be of small interest or value to either country.

### RENEWAL OF FOOD SHORTAGE

Owing, it is officially stated, to the necessity of ensuring an adequacy of food supplies during the Olympic Games, there has been a recent renewal of the food shortage experienced some months ago. Eggs are scarce or unobtainable, and meat prices, reacting to limited stocks, have appreciated noticeably. It is evident, at the same time, that vegetables and various other goods which are not subject to the usual price regulation have become increasingly expensive.

### CURRENCY REGULATIONS

Restrictions on currency imports, which have for some time prevented the entry into Germany of paper money which is presumed to have been smuggled out, have been extended to cover subsidiary coins. No more than R.M.60 in silver may now be imported from abroad on one occasion. It has at the same time been ordered that the export of precious metals in manufactured form is to be regarded as an infringement of existing regulations.

### MARKET FOR ASBESTOS IN GERMANY

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(R.M.1 is approximately equal to Can.\$0.40)

Hamburg, July 7, 1936.—As one of the more important manufacturing countries in the world, and a consistently large producer of industrial equipment and building materials, Germany is a regular consumer of substantial quantities of asbestos. The local market has been of interest to Canadian producers for many years and, despite some recent recessions in the volume of this trade and the proportion of Germany's total purchases which are supplied by Canadian exporters, the business remains an important one.

### IMPORT MARKET

Germany's imports of asbestos over the last six years have amounted in value to slightly less than R.M.5,000,000 (Can.\$2,000,000) per annum. A

record of purchases from Canada, Soviet Russia, and from British South Africa, the three principal sources of supply, and of total annual values is given below:—

*German Imports of Asbestos from Principal Countries, 1930-35*

	1930	1931	1932	1933	1934	1935
	In Thousands of Reichsmarks					
Total . . . . .	7,580	3,910	2,349	3,651	5,146	5,535
Soviet Russia . . . . .	951	608	691	1,040	2,505	2,796
Canada . . . . .	3,186	1,723	972	1,160	1,270	1,287
British South Africa . . . . .	2,861	1,323	573	1,183	1,163	1,261
Other . . . . .	582	256	113	268	208	191

A point of outstanding interest in the above table is the concentration of purchases of asbestos in the three important supplying countries. The trade is, on this account, subject to much more complete analysis than that in many other commodities. It is also to be noted that, although Canadian sales of asbestos to the German market during the last four years have been reasonably well maintained, their proportion to total German imports has declined perceptibly. Imports from British South Africa have shown an almost precisely similar trend, but the trade from Soviet Russia has undergone marked expansion.

These features of recent German trade in asbestos may be compared with a four-year record of Canadian exports to principal markets, given herewith:—

*Canadian Exports of Asbestos and Products to Principal Countries, Fiscal Years 1932-35*

	1932	1933	1934	1935
	In Thousands of Dollars			
Total . . . . .	4,734	3,045	5,585	5,300
United States . . . . .	2,855	2,012	3,599	3,040
Japan . . . . .	288	375	416	709
United Kingdom . . . . .	211	145	428	450
Germany . . . . .	399	145	444	402
France . . . . .	242	153	166	258
Belgium . . . . .	514	62	290	198

It is evident from the above table that, whereas there has been a decline in shipments to the Belgian market and that exports to Germany have remained stationary, there has been satisfactory development in export sales to the United States, Japan, the United Kingdom, and France. Assuming therefore that the Dominion's competitive position in these countries has remained a sound one, Germany must be regarded as, at present, one of the least valuable of Canada's more important outlets for this commodity.

To re-emphasize the situation and place on record a detailed review of Canadian asbestos trade with Germany, there is also given herewith a statement for the years 1913 and 1924-35 showing Germany's total imports of asbestos, her imports from Canada and the percentage of the latter to the former:—

*Total Imports of Asbestos into Germany and Imports from Canada, 1913 and 1924-35*

Year	Total Imports		Imports from Canada		Percentage	
	M. Tons	R.M. 1,000	M. Tons	R.M. 1,000	M. Tons %	Value %
1913 . . . . .	14,660	5,451	7,114	2,846	48.5	52.2
1924 . . . . .	6,711	9,046	3,660	4,479	54.5	49.5
1925 . . . . .	12,161	15,334	4,825	5,549	39.7	36.2
1926 . . . . .	8,965	11,732	4,200	6,089	46.8	51.9
1927 . . . . .	15,941	16,020	9,304	9,158	58.3	57.1
1928 . . . . .	17,728	9,208	9,919	4,805	56.0	52.2
1929 . . . . .	14,884	8,304	9,613	....	64.5	....
1930 . . . . .	14,108	7,580	6,537	3,186	46.3	42.0
1931 . . . . .	9,808	3,910	5,067	1,723	51.6	44.0
1932 . . . . .	7,581	2,349	3,481	972	46.0	41.4
1933 . . . . .	12,613	3,651	5,052	1,160	40.0	31.8
1934 . . . . .	20,154	5,146	5,848	1,270	29.0	24.7
1935 . . . . .	21,885	5,535	5,684	1,287	26.0	23.2

## SOURCES OF SUPPLY

It is desirable that, in connection with a review of Germany's asbestos trade, the point should be made that purchases from "British South Africa" should be more clearly defined than in the German statistical returns. The bulk of Germany's imports of asbestos from the African continent originates in Southern Rhodesia, this volume being greatly in excess of the comparatively small amounts exported to Germany from the Union of South Africa.

## TYPES

Distinct variations in quality are apparent in the asbestos trade carried on with Germany by her principal suppliers. Canadian deliveries are largely of asbestos fibres of good colour and spinning quality, being used for spinning and for the manufacture of papers, although some 10 to 15 per cent of an average year's trade is composed of sand and waste, particularly suitable for the production of various insulating materials. Rhodesian supplies are generally of high spinning quality with a fair proportion, however, especially adaptable for use in shingle factories. Russian stocks are of poorer colour than Canadian or Rhodesian and are customarily used for spinning and in shingles. The amosite and blue grades supplied from the Union of South Africa are of individual quality and are used for special purposes only.

## GERMAN ASBESTOS INDUSTRY

Although asbestos is used, in various forms, in many German industries, there is still a distinct branch of the local manufacturing community which is particularly concerned with the output of purely asbestos products. The principal among these are paper, cement, insulating materials for heat, cold, sound, and electricity, roofing materials, bands and coverings, and a variety of goods of special types for further treatment or application. It is impossible to enumerate the numbers, sizes, and output of the plants engaged in such operations, but it may still be mentioned that there are at present some fifty-one factories in Germany engaged in the manufacture of asbestos goods, maintaining a staff of 2,229 employees.

## TRADE REGULATION

The import trade in asbestos has been subject to strict regulation by the German Government. This commodity was, in fact, one of the first to which the current system of control was applied. Imports may be arranged only under licence from the competent supervising board which examines into all details of proposed purchases and grants or withholds authority for their conclusion as it sees fit.

The current position of Canada, Soviet Russia, and Rhodesia is one wherein Canada and Rhodesia are comparatively well situated. Trade from these two countries is carried on apart from the influence of any trade or clearing agreements. It is customary also that, in the case of such an essential material, permits for importation are granted readily or at least up to a point where domestic requirements are fully met, while, at the same time, special exchange payment permits are also issued, enabling importers or their clients to complete payment in free foreign exchange. There can be no doubt, of course, that such intensive regulation has exercised a damaging effect on normal trade trends, but the position of Canadian asbestos exporters is nevertheless a much more favourable one than is that of many other concerns interested in the German market.

As an indication of the high value placed on asbestos as a raw material, it is to be noted that, in the case of Canada and other "non-clearing" countries, this product may be bartered on a 1 : 1 basis. In actual practice, however, this facility has been found by importers to be of small advantage and, for the

present at least, practically all purchases from Canada and Rhodesia are settled in foreign exchange.

Trade from Soviet Russia to Germany is at present at a virtual standstill. As indicated in a table towards the beginning of this report, asbestos exports from that country to Germany developed rapidly during 1934 and 1935. This growth was largely due to commercial agreements between the two countries which have since lapsed, to be replaced by a fresh agreement of such limited scope that asbestos apparently cannot now be sold by Soviet Russia in the German market.

In the case of the Union of South Africa, asbestos is sold in Germany under the provisions of an agreement which enables payment for orders to be made in free foreign exchange.

#### TRANSHIPMENT TRADE TO OTHER EUROPEAN COUNTRIES

Hamburg is an important point in the transshipment trade in asbestos to Czechoslovakia, Austria, Poland, and other Central European countries. In general, these countries do not carry on business directly with overseas suppliers of this commodity but, owing to the storage and handling facilities available in Hamburg Free Harbour and those accorded by Hamburg agents of overseas producers, are accustomed to arrange purchases in the local market.

It may be noted also that, as a result of the transshipment in Hamburg of considerable amounts of asbestos to other European countries, considerable discrepancies appear between Canadian statistics of exports to Germany and those of German imports from Canada. The figures given above of German imports of this commodity are believed to be substantially correct.

#### PRICES

It is difficult to provide a clear analysis of the price situation in the local asbestos market owing to the current absence of any offers from Soviet Russia. Rhodesian stocks are believed to be selling at £45 to £47 and £40 to £42 per ton of 2,204 pounds c.i.f. Hamburg for first and second grade spinning fibres respectively; corresponding grades of shingle fibres are priced at approximately £23 to £25 and £12 to £13. These figures will show a close similarity to those currently offered by Canadian exporters.

With the possible revival of Russian shipments it may be taken for granted that the market will show some weakness, this tendency having been evident when last year's agreement enabled such trade to be carried on with a minimum of difficulty. For the time being, however, the position is satisfactory.

#### MARKET OUTLOOK

With no production from domestic deposits, Germany may be counted as a substantial and permanent outlet for further supplies of Canadian, Rhodesian, and Russian asbestos. There is at present no import duty on this commodity, and this fact, together with that mentioned above regarding the issue of import permits and special exchange licences, strengthens the belief that asbestos is regarded as a product of essential value to German industry and for which substitutes cannot well be developed. Canadian trade finds competition from two sources only, one of which is, for the time being at least, severely handicapped in arranging sales to this market. Competition from Rhodesia may be expected to persist, but there is still a sufficient variation between qualities and grades available from the two sources to justify the opinion that Canadian exports to the German market should continue at present or improved levels for some time to come.

## ECONOMIC CONDITIONS IN THE NETHERLANDS

W. G. STARK, ASSISTANT TRADE COMMISSIONER

(One florin equals \$0.402 at par and approximately \$0.67 at current rate of exchange;  
one metric ton equals 2,205 pounds)

Rotterdam, July 15, 1936.—Developments in the past quarter have been irregular. Shipping has again improved. Industry and trade have made some progress in certain lines but other branches are very quiet. The money market and foreign exchanges are easier and the position of the Netherlands Bank is strong, though considerable gold has been exported. Holland has improved her trading arrangements with Belgium, but the unsatisfactory state of the Netherlands-German clearing restricts possibilities in that direction. Foreign trade generally remains at rather a low level,

### FINANCIAL

The Netherlands Bank met all demands and responded to the restlessness due to new uncertainties for the French franc during the last quarter by raising its discount rate and shipping gold. The easier situation now has permitted two reductions since June 30 and the discount rate from July 7 has been 3 per cent. The returns of the Netherlands Bank for the fiscal year ending March 31, 1936, disclose a distinct improvement over the previous year. The net profit was fl.5,630,000 as compared to fl.3,020,000, and the bank has been able to declare a 5 per cent dividend in place of one of 3.6 per cent.

Mortgage banks are finding the demand for their securities very small. Ship mortgage banks are making practically no new loans. Stock markets were dull in May but were more active last month. The Amsterdam money market secured considerable business in financing United States cotton exports by guilder credits.

The state of the German-Holland financial arrangements is very unsatisfactory to the Netherlands side. Complaint is also made of German dumping, especially in the ready-made clothing industry. Though a large sale of potato flour was made to Germany, the whole transaction had to be covered by barter. Germany is now asking new concessions as to interest reductions.

### PRICES

The index figures of wholesale prices have not altered much in the last three months. The index for May stood at 61 (basis 1926-30 equals 100) and is little different from May, 1935, when the figure was 60.9.

The official Central Bureau of Statistics have just published some new figures concerning wholesale prices in Holland and comparative data with the levels in other countries. The indices have been adjusted to the same base and work out as follows (1929 in gold equals 100): Germany 75, Switzerland 71, France 67, *Netherlands* 61½, Belgium 56, United States 51, United Kingdom 50, and Sweden 48.

These and the subjoined calculations are of particular interest as they point to the difficulties encountered by Netherlands industries in competing for foreign trade. Wages, computed as per unit of production (basis 1929 in gold equals 100), had declined in 1934 in the various countries to the following ratios: Germany 81, *Netherlands* 79, United Kingdom 59, Sweden 52, and the United States 51.

Cost of living indices on the same basis and in the different countries disclose the results appended: France 87, *Netherlands* 81, Germany 80, Switzer-

land 79, United Kingdom 52, Sweden 51, and the United States 48. As will be noted, Holland is well in the upper range of these recorded totals.

### INDUSTRY AND TRADE

The general situation is not bright and the notes that follow can only list certain features.

Several foreign orders have been secured by different branches. The International Handelsconsortium, a group of about twenty-five Netherlands industrial and construction firms, have obtained an order for the laying down of some 200 miles of new railway in Central Mexico. The necessary bridges, stations, and electric power works entailed are included in the business placed. The Argentine Government has given a contract for four dredges to be built in Holland.

Further electrification of the Netherlands Railways has been approved by the Government here at an estimated cost of fl.30,000,000. The lines affected are important, and the new service will be available from The Hague and Rotterdam to Utrecht and thence south to Eindhoven as well as on the line from Amsterdam to Arnhem. The change-over is to be completed within two years and the new trains are to be much speedier than the present ones.

Parliament has also approved the bill for the Industry Bank. This is a joint-stock company created to aid in the financing of new industrial projects for this country.

As from May 1, 1936, Holland has concluded a new quota agreement with Belgium which should encourage mutual trade. A new tariff agreement and quota arrangement has also been made with Poland.

At the end of May, 1936, there were still 392,900 unemployed persons on the records of the Labour Offices. There is naturally a seasonal decrease from the preceding months, but the total is still very high. At the end of May, 1935, there were 355,200 unemployed, and in 1934 at that date 294,900.

### FOREIGN TRADE

Total foreign trade of the Netherlands for the first six months of the current year remained at approximately the same level as in the January-June period of 1935. Imports were somewhat higher these past six months, being valued at fl.466,446,000 as compared with fl.455,305,000 in the first half of 1935. Exports declined slightly, standing at fl.318,526,000 as against fl.318,794,000 in the January-June period of 1935. The percentage of imports covered by exports stood at 68.3 for the first six months of 1936 as compared with 70 in the same period of 1935 and with 63.1 for the first six months of 1934.

### SHIPPING

There has been a continued improvement in shipping. Arrivals of sea-going vessels in Rotterdam have increased and the tonnage handled is considerably greater. Part of this increase resulted from the strikes in Antwerp causing ships to pass that harbour and proceed to Rotterdam.

The number of seagoing vessels which entered the port of Rotterdam in the period January 1 to June 30, 1936, was 6,070 with a net tonnage of 9,918,375. This is an improvement over the corresponding period in 1935, when 5,421 ships (8,634,090 tons) came into the harbour. The various authorities are endeavouring to co-operate by the successive lowering of pilotage and harbour dues and to bring these more in line with the charges prevailing in Antwerp. Another encouraging sign is that there are no idle ships laid up at present in Rotterdam.

## CROP REPORTS FOR NORWAY AND DENMARK

J. A. MacDONALD, ASSISTANT TRADE COMMISSIONER

### NORWAY

Oslo, July 14, 1936.—The second report of the Director of the Norwegian Department of Agriculture on the condition of crops at the end of June states that, after the rainfall during the last few days of May, a new period of drought set in, and the crop prospects are therefore anything but promising. The hay crop is expected to be fairly small, the preliminary estimates being 86 per cent of a normal year in the case of cultivated fields and 81 per cent for natural fields. The condition of the grain crops is fairly satisfactory, but the need of more abundant rainfall is keenly felt.

The present estimates for the grain crops are as follows: spring wheat 98 per cent, autumn wheat 92 per cent, spring rye 97 per cent, autumn rye 94 per cent, barley 100 per cent, and oats 98 per cent of a normal year. The root crops are presently at a standstill, being very much in need of rain, the same being the case with the potatoes; present crop estimates are 90 and 92 per cent respectively. The fruit crops, particularly apples and pears, are expected to be considerably below those of an average year.

### DENMARK

The first crop report issued by the Danish Department of Statistics, dated July 6, covers only crop prospects for hay and the condition of pasture fields. According to this report, cultivated fields are expected to yield a total hay crop about 1 per cent above normal, natural fields about 4 per cent below normal, and the condition of the pasture fields is described as being 22 per cent below that of a normal year. The quality of the hay is, on the whole, good, while the low percentage reported for the pasture fields is stated as being due to the rather serious drought experienced in many districts.

## TRADE OF SPAIN IN 1935

J. C. DEPOCAS, ASSISTANT TRADE COMMISSIONER

[At par one gold peseta equals \$0.193 Canadian; the exchange value throughout the year was about \$0.145, but no conversions have been made in this report, as the gold peseta is used for customs and statistical purposes only; one ton equals 2,204.6 pounds; one metric quintal equals 220.5 pounds. Figures in parentheses are for 1934.]

Milan, April 17, 1936.—The total foreign trade of Spain during 1935 amounted to \$1,461,746,706 pesetas (1,465,812,923 pesetas), a decrease of 0.3 per cent, exclusive of gold and silver coins in bullion, the imports of which totalled 967,561 pesetas (223,748 pesetas) and exports 4,773,486 pesetas (1,541,008 pesetas). Imports increased in both quantity and value from 4,891,795 tons to 5,047,804 tons, or 3 per cent, and from 854,819,804 pesetas to 878,297,924 pesetas, or 2.7 per cent, while exports decreased, both in quantity and value, from 6,586,932 tons to 6,363,936, or 3 per cent, and from 610,993,119 pesetas to 583,448,782, or 4.5 per cent.

The adverse trade balance rose from 243,826,685 pesetas to 294,849,142, or by 21 per cent. Since exports of gold and silver bullion also exceeded imports, it is apparent that trade and currency restrictive legislation has not achieved its purpose of decreasing the adverse trade balance.

## TRADE BY COMMODITY GROUPS

The Spanish statistics classify the exports and imports under four main headings: live animals, raw materials, manufactured good, and foods. Figures for 1934 and 1935 are as follows:—

*Imports*

	1934	1935	Inc. or Dec.	1934 Gold	1935 Gold	Inc. or Dec.
	Tons	Tons	Per Cent	Pesetas	Pesetas	Per Cent
Live animals.. . . .	3,023	2,387	-21.0	3,439,602	3,047,705	-11.3
Raw materials . . . .	2,887,419	3,097,968	+ 7.0	305,458,901	329,985,959	+ 8.0
Manufactured goods ..	1,641,243	1,614,962	+ 1.6	403,796,068	423,127,098	+ 4.8
Foodstuffs .. . . .	360,110	332,487	- 7.6	142,125,233	122,137,162	-14.0

*Exports*

	1934	1935	Inc. or Dec.	1934 Gold	1935 Gold	Inc. or Dec.
	Tons	Tons	Per Cent	Pesetas	Pesetas	Per Cent
Live animals.. . . .	922	494	-46.0	758,944	406,839	-46.0
Raw materials . . . .	4,542,027	4,556,591	+ 0.3	98,090,423	107,927,354	+10.0
Manufactured goods ..	399,588	381,287	- 4.6	113,842,992	101,307,955	-11.0
Foodstuffs .. . . .	1,644,395	1,425,564	-13.0	398,300,760	373,806,624	- 6.0

## TRADE BY COUNTRIES

## IMPORTS

The following table shows the imports into Spain in 1935 and 1934 from the twelve leading sources of supply:—

	1935	1934	Inc. or Dec.
	Figures in Thousands	of Gold	Pesetas
United States.. . . .	147,638	146,509	+ 1,129
Germany . . . . .	120,336	98,679	+21,657
United Kingdom . . . . .	91,548	86,106	+ 5,442
France . . . . .	48,766	66,276	-17,510
Holland . . . . .	31,757	25,237	+ 6,520
Belgium . . . . .	30,333	32,137	- 1,804
Italy . . . . .	26,675	24,238	+ 2,447
British India . . . . .	25,612	28,431	- 2,819
Sweden . . . . .	25,065	30,078	- 5,013
Egypt . . . . .	24,849	21,938	+ 2,911
Argentina . . . . .	21,961	18,393	+ 3,568
Switzerland . . . . .	19,634	15,868	+ 3,766

## EXPORTS

Exports in 1935 and 1934 to the twelve most important markets for Spanish products were as follows:—

	1935	1934	Inc. or Dec.
	Figures in Thousands	of Gold	Pesetas
United Kingdom . . . . .	127,448	142,168	-14,720
Germany . . . . .	74,828	68,322	+ 6,506
France . . . . .	68,988	95,918	-26,930
United States . . . . .	55,952	52,320	+ 3,632
Argentina . . . . .	31,681	22,368	+ 9,313
Holland . . . . .	30,084	27,034	+ 3,050
Belgium.. . . .	29,278	30,033	- 755
Italy . . . . .	19,644	30,200	-10,556
Cuba . . . . .	15,370	13,563	+ 1,807
Switzerland . . . . .	13,248	15,095	- 1,847
Canary Islands . . . . .	9,684	11,462	- 1,778
Portugal . . . . .	9,548	6,528	+ 3,020

Spain's main items of export are fresh fruits and vegetables, cork, olive oil, and wines.

## TRADE WITH CANADA

According to Spanish statistics, Canada ranks twenty-sixth among countries of supply and twenty-third among purchasers of Spanish products. Imports

from the Dominion in 1935 were valued at 9,008,707 pesetas as against 10,530,877 in 1934, a decrease of 14 per cent; the value of Spanish exports to Canada in the respective years was 3,306,874 pesetas and 3,973,861 pesetas, a decrease of 16 per cent. The balance in favour of Canada decreased from 6,557,016 pesetas to 5,701,833 or by 855,183 pesetas.

#### NOTES ON COMMODITIES

*Motor Vehicles.*—Shipments from Canada in 1935 included 2,568 passenger cars, trucks and their parts valued at 7,590,763 pesetas as against 2,827 units (9,639,593 pesetas) in the previous year.

Other countries supplying motor cars to Spain in 1935 were: United States, 6,529 (18,290,713 pesetas); United Kingdom, 5,018 (11,578,011 pesetas); Germany, 3,745 (10,622,770 pesetas); Italy, 2,390 (5,304,510 pesetas); France, 1,493 (4,661,279 pesetas).

The imports of "chassis with motor" are not important, totalling only 52 units distributed as follows: United Kingdom, 31; Germany, 14; Canada, 3; France, 3; Italy, 1.

Passenger cars numbered 235 units: 91 from Germany, 67 from Italy, 49 from the United States, 17 from the United Kingdom, 3 from Canada, 1 from France, and 7 from other countries.

Imports of closed passenger cars totalled 13,995 units: 4,531 from the United Kingdom, 2,899 from Germany, 2,521 from Canada, 2,256 from Italy, 1,274 from France, 229 from the United States, and 285 from other countries.

A total of 7,843 trucks, buses, and tank automobiles was imported. The United States was the leading supplier with 6,251 units, followed by Germany with 740; United Kingdom, 439; France, 215; Italy, 66; Belgium and Canada, 39 each; Switzerland, 25; and other countries, 29.

*Asbestos.*—Out of total imports of 5,036 metric quintals (47,021) valued at 1,763,133 (2,260,155) pesetas, Canada's share in 1935 was 3,558 (953) quintals valued at 82,712 (32,068) pesetas, British possessions in Africa supplied 40,279 (41,900) quintals valued at 1,468,159 (2,070,768) pesetas.

*Nickel.*—As Canada does not share, according to Spanish statistics, in the imports of steel, copper, brass, lead, aluminium, zinc, antimony, and other metals, it may be assumed that the imports of minerals and manufactures credited to the Dominion consist of nickel, in ingots, cubes, etc., amounting to 2,211 quintals valued at 346,082 pesetas out of a possible 3,039 quintals (2,653) at 588,023 (545,495) pesetas.

*Ammonium Sulphate.*—Imports from Canada of ammonium sulphate totalled 25,222 quintals (237,693 pesetas). Other supplying countries are Holland, Germany, Belgium, Poland, and the United Kingdom.

*Wood-pulp (Cellulose).*—Imports from Canada totalled 11,767 quintals (205,940 pesetas). Canada ranks sixth as a source of supply for this commodity after Sweden, Finland, Germany, Lithuania, and Norway.

Total imports amounted to 882,293 (990,360) quintals valued at 11,263,980 (13,797,323) pesetas, a decrease of 11 per cent in quantity and 11 per cent in value. All countries except Finland were affected, but the most notable decrease was in the case of Estonia.

*Rubber Goods.*—Under this heading the largest imports from Canada are automobile rubber tires and tubes, which totalled during 1935, in the case of tubes, 5,912 kilos (28,514 pesetas) as against 9,873 kilos (37,950 pesetas in 1934); and in the case of tires, 64,642 kilos (184,404 pesetas) as against 127,373 kilos (279,862 pesetas). For tubes Canada ranks fourth in value among the supplying countries after the United Kingdom, France, and Belgium. In the case of tires, Canada was third, following the United Kingdom and Germany.

Among other imports from Canada are copper and manufactures thereof, 49,534 pesetas; machinery, 29,885 pesetas; lumber and manufactures thereof, 23,961 pesetas; foodstuffs, 20,895.

### SPANISH EXPORTS TO CANADA

Exports from Spain to Canada consist principally of products of the vegetable kingdom and for 1935 were as follows, with comparative figures for 1934:—

	1935		1934	
	Quantity	Gold Pesetas	Quantity	Gold Pesetas
Almonds, shelled. . . . .	quintals	3,788	4,565	696,502
Olives, green and in brine. . . . .	quintals	10,805	439,300	807,376
Preserved fruits . . . . .	kilos	426,141	274,020	471,875
Cork manufactures. . . . .	quintals	7,246	219,658	7,964
Almonds, unshelled. . . . .	quintals	3,148	167,644	3,584
Filberts . . . . .	quintals	1,243	133,487	1,524
Salt. . . . .	quintals	207,841	125,501	259,885
Malaga wine . . . . .	hectolitres	3,010	125,418	3,990
Sparkling wines. . . . .	hectolitres	1,468	112,238	1,723
Ordinary wines . . . . .	hectolitres	2	150	.....
Olive oil . . . . .	quintals	805	68,073	872
Raisins. . . . .	quintals	653	53,890	839
Preserved vegetables . . . . .	kilos	112,893	58,729	105,313
Onions. . . . .	quintals	2,954	31,751	5,237
				58,701

### EXCHANGE SITUATION IN BRAZIL

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, June 25, 1936.—The present exchange situation in Brazil dates back to the regulation issued by the Bank of Brazil and approved by the Federal Foreign Trade Council on February 11, 1935. This regulation provided that as from that date all bills of exchange derived from exports should be sold on the free market, and that all cover for the payment of merchandise cleared through the Brazilian customs houses from that date should be purchased in total on the free market at such rates as might prevail thereon. To provide for Government requirements of exchange, the banks were obliged to resell to the Bank of Brazil 35 per cent of the value of the export bills bought by them at a rate fixed by the Bank of Brazil as official. In the case of merchandise which had been cleared through Brazilian customs houses prior to February 11, it was necessary that payment await the decision of the Bank of Brazil—in other words, these accounts outstanding were blocked by this decision.

### TWO PROBLEMS

In that way two separate problems were created: the first, the liquidation of blocked accounts; and, second, regulatory measures to prevent undue advantage being taken of the freeing of exchange to the detriment of commerce. The latter problem was covered by the regulations of the Banking Control Authority, in a circular issued by them on June 28, and, in giving an outline of these regulations which are now in force, it should be pointed out that they do not constitute blocked currency or blocked exchange and are not intended to impede the freedom of international commerce. The following are the points which arise:—

### CONDITIONS OF PURCHASE

When it is desired to purchase exchange for remittance abroad, the Bank of Brazil must be satisfied that the exchange is being purchased for one or other of the following purposes: the payment of commodities imported from abroad; expenses of travelling abroad; hospital expenses abroad; the purchase of books

and subscriptions from abroad; the education and maintenance of persons who are residing abroad; the expenses of commissions, freights, arbitrations, etc., which may arise by virtue of sales of Brazilian products to foreign countries; and for the remittance of consular revenues produced in Brazil.

#### METHOD OF CERTIFICATION

An importer, or the agent of an exporter abroad, desiring to purchase foreign exchange for the payment of goods imported, will make application through a bank, presenting a consular invoice, a commercial invoice with a certificate of the local chamber of commerce or their delegates declaring that the prices in the invoice are those of the export market and viséd by the Brazilian consulate, and a copy of the official customs clearance proving the payment of customs duties. The value of the draft drawn must correspond exactly to the value declared in the consular and commercial invoices, which two documents must agree.

#### PROCEDURE IN CASE OF DOUBT

When there is any doubt as to the value of the import price, it will be determined by an inspection of the book entries of the debtors or by information supplied by the Brazilian consulate in the locality of the seller.

If the draft be drawn in a currency different from that declared on the consular invoice—that is to say, if the consular invoice is declared in Canadian dollars and the draft is drawn in American dollars—the basis of the calculation should be taken as that of parity on the day the consular invoice is issued, and should there be any difference between such value, cover will be supplied for the lesser value. A certificate of the value on this date may be supplied by the exporter and should be viséd by the Brazilian consulate.

#### FREIGHT, ETC.

For such items declared in the consular invoice as freight and approximate expenses, cover will be supplied, providing such increases in the value of the invoice do not embrace ordinary expenses which form part of the commercial invoice. If these documents have been supplied to the satisfaction of the banking control authority, and when that authority expresses its satisfaction that they are in order, the bank may extend cover.

Should no draft be in the possession of a bank, the banking control authority will authorize the sale of exchange only when an extract from the books of the creditor abroad, viséd by the Brazilian consulate, is presented together with proof that the import duties have been paid.

#### ADVANCE PURCHASES

Under the present regulations it is permitted to purchase exchange in advance for goods ordered—that is, payment can now be made by letter of credit before shipment; but such future exchange is permitted only on the basis of forty days and must be covered by a bond of responsibility undertaken by the importer. Further, it is required that the importer present proof that he has actually placed the order and must present a letter of confirmation from the exporter.

Exchange for the coverage of goods shipped on consignment will only be authorized after proof of sale in Brazil by means of the sales account and import documents.

#### BLOCKED OR COMPENSATED CURRENCY

This regulation also provided for a check on commercial intercourse with countries operating on a basis of blocked or compensated currency, in that it

provided that exchange can only be granted in the currency of the country of origin when the goods proceeded from a country operating under blocked currency. In this connection a recent agreement between Brazil and Germany provides for strict quotas on Brazilian exports to Germany in order to prevent the creation of a surplus of compensated marks in Brazil, to the detriment of countries operating on a free currency basis.

#### PROTECTION OF THE FREE MARKET

The second problem arising from the creation of blocked accounts in the case of the payment of goods imported prior to February 11 was brought out by a need to protect the free market from the sudden overwhelming buying of exchange to cover commitments which, at that time, were outstanding for nearly a year. Had the liquidation of these accounts been permitted, it is almost a certainty that the value of the milreis would have gone to unprecedented lows.

As was customary, the Bank of Brazil, on the due date of the drafts named a rate of exchange at which they could be liquidated, the debtor deposited milreis to this extent, and as soon as exchange was available it was despatched to the creditor. At the time exchange was freed, the bank had named rates and had accepted the responsibility to supply the exchange at these rates in the case of drafts due up to approximately May 1, 1934. Such exchange commitments the bank continued to meet and all such bills have now been satisfied.

This responsibility did not, however, extend to such accounts as fell due between approximately May, 1935, and February 11. In the case of the larger creditor countries such as the United Kingdom, the United States, Portugal, and Norway, settlement was arranged by loans and by agreements whereby a portion of the exchange, arising from increased purchases of Brazilian goods, was to be utilized in paying off these debts. The total of the Canadian outstanding accounts was considerably smaller than that of these other countries, and Brazil is now putting forth every effort to have Canadian accounts covered within as short a period as possible.

This represents the position as it stands to-day, and there is no reason to believe that it will change in the immediate future. Much depends on the growth of exports as to whether Brazil will be able to continue to operate on the basis of free exchange. Indications are at the moment more or less favourable, and it is believed that the Bank of Brazil has now in its possession a greater volume of foreign exchange than it has had for many months, and has even been able to permit a carefully regulated export of cover for interest, profits, and dividends. Canadian firms, however, should continue to exercise care and avoid, as much as possible, the creation of outstanding dollar accounts.

#### CODFISH SITUATION IN CUBA

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Havana, July 17, 1936.—Imports of dry-salted codfish into Cuba have increased from 4,674,649 kilograms valued at \$585,123 for the calendar year 1934 to 7,021,789 kilograms valued at \$840,622 for 1935. For the first quarter of 1936 they were 2,135,855 kilograms valued at \$225,658. Norway and Canada supply the bulk of the demand. In 1934 the percentage credited to Norway was 56 and to Canada 34; in 1935, to Norway 59 and to Canada 34; and in the first quarter of 1936, to Norway 59 and to Canada 27½. Canada is thus losing ground on a percentage basis. On the other hand, Canadian exporters share in the increased market. Cuba's purchases of Canadian cod have risen from 1,531,414 kilograms valued at \$208,553 in 1934 to 2,304,102 kilograms valued at \$285,095 in 1935; for the first quarter of 1936 the total was 620,786 kilograms valued at \$62,112.

The Dominion Bureau of Statistics shows exports of cod to Cuba for the calendar years 1934 and 1935 respectively as 29,501 cwt. valued at \$172,055 and 41,899 cwt. valued at \$228,986, and for the first three months of 1936, 12,913 cwt. valued at \$58,869.

#### PRICES

Present Norwegian c.i.f. Havana quotations for August and September delivery, per case of 45 kilograms net, follow: Imperial, \$7.75 to \$8; Superior, \$6.75 to \$7; Regular, \$6.25 to \$6.75; Inferior, \$6.25.

#### ICELANDIC IMPORTATIONS

About a year ago some shipments of Icelandic codfish were made to Cuba, followed later by a small quantity from Norway, wrapped in jute sacking in bundles of 45 kilograms net. With this type of packing it was quoted at 50 cents for Icelandic and 30 cents for Norwegian, per 45 kilograms, less than for the lower grades of boxed Norwegian. The quantities brought in, however, were small, as codfish packed in this way can be imported only during December, January and February; it deteriorates quickly in the heat and humidity of the summer months.

The people of the Province of Oriente (the eastern quarter of Cuba) prefer the Canadian salt-dried fish, but in the remaining western provinces only the hard dry white-naped pack, nearly all of which comes from Norway, is consumed. The preference for this latter variety is extending eastward into Oriente, where heretofore Canadian cod has been in almost undisputed favour. To illustrate this tendency, in the city of Camagüey (the capital of Camagüey, the province adjoining Oriente), Canadian codfish is rarely seen, whereas at Santiago de Cuba (the capital of Oriente) the majority of shops now carry boxed Norwegian codfish.

#### DUTIES

Codfish comes under the minimum tariff of \$5.50 per 100 kilograms. Consular fees for the United Kingdom, Canada, and the United States are 2 per cent, and for other countries 5 per cent, ad valorem.

### FISH OIL FOR THE SOAP INDUSTRY IN CUBA

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

Havana, June 22, 1936.—Fish oil, although not used in Cuba, is recognized in many other countries as an excellent alternative, in certain soaps, for tallow, coconut oil, palm oil and other fats, when the price is attractive. (As these fish and vegetable oils are fat in liquid form, they are referred to in this article as fats.)

Until recently the use of fish oil in soap-making was restricted to the manufacture of the cheaper qualities of soft soap, since the problem of removing the objectionable characteristics of colour and odour had not been solved, and the oil, being a liquid, could not be used in the solid-soap branch of the industry. To-day the passing of hydrogen gas through fish oil neutralizes its distinctive smell and colour and converts the liquid fats (olein and linolein) into the solid fat (stearin). Fat accounts for 93 per cent of the cost of the raw materials purchased by the average soap manufacturer. Price being equal to that of other fats, the fish-oil refiner is therefore in a position to obtain, in the light of present-day scientific treatment of his product, a substantial proportion of the soap-makers' business.

## USE OF FATS AND OILS IN CUBA

Although no particular interest in fish oils is evidenced in Cuba to-day, principally owing to price, an examination of the situation covering the use of fats and oils in local soap-making shows that there is a potential market for the Canadian product. Upwards of 95 per cent of the fat for Cuba's requirements for all purposes is imported and, when it is considered that 60,000,000 pounds of soap are produced annually, a fair estimate of the quantity of fats and oils required for this industry can readily be made.

The soap industry of the island depends almost entirely for its fats on palm oil and coconut oil, with a small quantity of Cuban tallow, resin and olive bagasse. Palm and coconut oils are solid at atmospheric temperatures and therefore do not require to be hydrogenated. These two commodities are classified as "articles of prime necessity" by the Cuban Technical Tariff Commission, in the interests of the local soap industry, thereby permitting their importation under the minimum tariff.

## IMPORTS OF OIL FOR SOAP-MAKING

Imports of coconut oil for the specific use of soap-making increased from 1,087 metric tons (\$91,561) in 1933 to 2,460 tons (\$200,476) in 1935. Imports of red palm oil and olive oil bagasse (the latter very small in quantity) for the manufacture of soap increased from 1,045 metric tons (\$67,452) during 1933 to 8,375 tons (\$647,116) in 1935. The processing tax of 3 cents per pound on foreign vegetable oils in the United States has forced large supplies to seek an outlet elsewhere. For this reason Cuban soap manufacturers can buy these two oils at prices lower than those of animal oils and fats. Recent c.i.f. Havana prices per pound paid by Cuban factories for their principal raw products were as follows: palm oil by steamer cargoes,  $4\frac{3}{8}$  cents; coconut oil in tank cars,  $3\frac{3}{4}$  to 4 cents.

## DUTIES

Fats and oils imported for soap manufacturing, being inedible, are subject to much lower duties than edible fats, the rates being as follows: coconut oil, red palm oil, and oil from olive bagasse, imported by the actual manufacturers to be employed exclusively in the manufacture of soap, per 100 kilograms gross weight, maximum tariff \$2, minimum tariff \$1, from the United States 80 cents.

These fats and oils must be imported denatured with one of the following substances, at the importer's option, whereby the oil is made unfit for use as food. Per 100 kilograms of oil, stipulated quantities of one of eight essences, including turpentine, rosemary and citronella, are to be added. Crude and hydrogenated animal oils and fats imported by the manufacturers to be used exclusively in the manufacture of soap, provided they are denatured as required, are dutiable per 100 kilograms gross weight as follows: maximum tariff, \$4; minimum tariff, \$2; from the United States, \$1.60. Fish oil would require to be denatured to enjoy the low-tariff category of inedible fats. This would have to be done prior to shipment and probably before hydrogenation, in order to obviate the necessity of heating the solid fat to reconvert it to oil.

Offers of Canadian fish oil in crude form for export to Cuba for soap-making would evoke no response at present, as there are no hydrogenating or refining facilities to handle it. On the other hand, the possibilities which the market presents for a processed fat indicate that much value would derive from a study of how far a Canadian product could go toward supplying a portion of the soap-makers' needs.

## EXCHANGE CONDITIONS IN MEXICO

S. G. MACDONALD, ACTING TRADE COMMISSIONER

Mexico City, July 8, 1936.—No exchange control as it is known in most countries is in effect in Mexico. However, control is exercised by the Government operating through the Central Bank (which is the one authorized to issue notes, to rediscount, and to control exchange) in an indirect manner. This bank, Banco de Mexico, S.A., was established in 1925 with 51 per cent of the share capital of 100,000,000 pesos owned by the Government.

In 1931 the financial crisis, combined with a critical exchange situation, led to a depreciation of Mexican currency; on July 31 of that year a new monetary law was passed. This suspended the use of gold as legal tender and placed silver pesos, bank notes, and fractional currency in that category. Gold disappeared, runs on banks occurred, many bankruptcies followed, and imports, except for necessities, practically ceased.

During the next two years considerable depreciation followed this virtual establishment of the silver standard, ranging from the previous rate of about 2 pesos to 4 pesos to the United States dollar, finally settling on November 7, 1933, to 3.60. Subsequently, with very slight variations, the same rate has continued to the present date, so that it might be considered as having been definitely established as such.

### METHOD OF CONTROL

In maintaining the rate of 3.60 the indirect method of exchange control is made effective. The Banco de Mexico in effect purchases all gold and silver bullion mined, and henequen produced, as their production is practically exported in entirety. In return paper silver pesos are given. This method was completely adopted following the new monetary act of April 27, 1935, which became imperative owing to the rapid increase in the world prices for silver. By these means the Banco de Mexico obtains dollar credits (payment for the exports) in New York. These credits are kept at sufficiently high levels to maintain the rate established.

### ABSENTEE TAX LAW

As a safeguard against the possibility of a flight of capital, a tax under the Absentee Tax law of March 1, 1934, of 4 per cent is levied against all moneys sent out of the country except those employed in the purchase of goods from abroad.

Under the system effected by the Mexican Government, the rate of 3.60 is steadily maintained, despite fluctuations in the world prices for silver. At times difficulties have been experienced in obtaining foreign exchange without additional cost beyond the established rate, but during the past year these have become less until to-day the situation in that regard is quite normal.

### OBJECT OF POLICY

Thus the Mexican monetary policy has been and continues to be directed towards maintaining a stable currency backed by silver at a rate compatible with the economic situation within the country. The profitable prices obtaining during the past three years for silver bullion have in turn greatly increased the buying power of Mexico to a point where the depreciation of Mexican currency to 3.60 is largely offset. Within the republic quite a prosperous picture is presented in many directions as a result of this policy and the silver-buying policy of the United States, which was so largely instrumental in firming world prices for that commodity.

## CONDITIONS IN COSTA RICA

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

United States \$ equals ₡6 (colones)

### BALANCE OF TRADE

Panama, July 7, 1936.—Detailed statistics for the year 1935 are not available, but the total value of the imports into Costa Rica during 1935 is given as ₡47,369,679, as compared with ₡37,061,624 during 1934. Total exports during 1935 were valued at ₡49,005,770 as compared with ₡36,958,640. The year 1935 closed therefore with an increase in the total value of imports of ₡10,308,055 or approximately 27·8 per cent as compared with 1934. On the export side there was an increase during 1935 of ₡12,047,130 or approximately 32·7 per cent as compared with 1934. These increases are due in part to the depreciation of the colon, but in terms of United States currency there was an increase in the total value of imports during 1935 as compared with 1934 of approximately 8·5 per cent. Undoubtedly the position of the country in so far as foreign trade is concerned was stronger at the end of 1935 than for many previous years as witnessed by the fact that a favourable balance of trade of ₡1,636,091 was reported at the end of 1935, whereas the year 1934 closed with an unfavourable balance of ₡102,983.

### FISCAL POSITION OF THE GOVERNMENT

The improvement during 1935 in the position of Costa Rica in so far as the balances of payments is concerned was offset somewhat by the closing of the Government's financial year with a deficit of ₡4,410,730. Government revenues during 1935 exceeded the sum anticipated in the budget by ₡2,853,764, but during the year it was necessary to disburse unemployment relief to the extent of ₡2,576,485, and the construction of waterworks at Puntarenas cost ₡2,077,218. Steps being taken with a view to refunding and resuming interest payments on all or a considerable part of the Costa Rican national debt have been welcomed in business circles. A policy of economy and retrenchment has been promised by the new Government and, providing the demand for and prices of Costa Rican exports improve during 1936, further progress towards economic recovery may be expected.

### EXPORTS

Costa Rican exports consist almost entirely of coffee, bananas, cacao, and gold. During 1935 exports under these headings were as follows:—

	Value	Per Cent of Total Exports
Coffee.. . . . .	₡25,555,965	69.15
Bananas.. . . . .	6,808,949	18.42
Cacao .. . . . .	1,828,968	4.95
Gold .. . . . .	1,769,221	4.79

Coffee, which accounts for nearly 70 per cent of the total value of Costa Rican exports, was exported during 1934 to the following countries:—

	Value	Per Cent of Exports
United Kingdom.. . . . .	₡16,846,082	65.92
Germany .. . . . .	6,601,492	25.83
United States .. . . . .	1,330,821	5.21
Others .. . . . .	777,567	3.04

Germany continues to purchase one-quarter of the total Costa Rican coffee crop in return for which Costa Rica is credited with an equivalent in

"coffee marks" to be used in the purchase of German goods. This method of trading has greatly increased Germany's share of Costa Rican import trade.

Exports to Canada during the calendar year 1934 were valued in Costa Rican statistics at  $\text{C}\$344,137$ . According to Canadian statistics, the total value of imports from Costa Rica for the fiscal years 1934 and 1935 was  $\$35,774$  and  $\$47,921$  (Canadian funds) respectively, consisting entirely of coffee and bananas.

### IMPORTS

Costa Rican trade returns for the calendar year 1934 give the total value of imports from Canada as  $\text{C}\$143,365$ . It seems probable, however, that imports of Canadian products were greater than Costa Rican statistics indicate, because it is known that quantities of Canadian flour, codfish, paper, and leather shipped via United States ports are recorded as being of American origin. The following table taken from Canadian statistics gives details, by groups, of Canadian exports to Costa Rica during the calendar year 1935:—

	Value in Canadian Dollars
Agricultural and vegetable products . . . . .	31,409
Animals and animal products . . . . .	12,796
Fibre and textile products . . . . .	1,525
Wood and paper products . . . . .	17,416
Iron and its products . . . . .	536
Non-ferrous metal and products . . . . .	6,719
Chemicals and allied products . . . . .	1,259
Miscellaneous commodities . . . . .	578
Total . . . . .	72,238

The following products, given more or less in order of importance, comprise the bulk of Canadian exports to Costa Rica at the present time: wheat flour, rubber tires, fish, milk and milk products, newsprint and other paper products, leather, electrical appliances and apparatus, rubber belting, medicines, soda and sodium compounds, brushes, mattresses and pillows, cotton duck, manufactures of silk and artificial silk, building board, needles and pins, and farm implements. Although Costa Rica offers only a very limited market for Canadian products, the Canadian Trade Commissioner at Panama will be glad to receive inquiries from interested Canadian exporters.

## EXCHANGE CONTROL IN NICARAGUA

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama, June 30, 1936.—There is an acute shortage of foreign exchange in Nicaragua and remittances abroad covering purchases of foreign merchandise are reported to be eighteen months in arrears. It is estimated that funds owing abroad totalling more than  $\$2,500,000$  (United States funds) are lying on deposit in local banks in cordobas awaiting the allotment of foreign exchange and permission to remit. There does not appear to be any promise of material improvement in the near future, although recent political developments are regarded in some quarters as likely to have favourable results.

### EXCHANGE CONTROL COMMISSION

Through the medium of the National Bank of Nicaragua, the Exchange Control Commission administers the regulations adopted for the purpose of balancing foreign payments, and which, with only a few minor exceptions, require that all foreign currency obtained by residents must be sold to the National Bank of Nicaragua. The methods of the Nicaraguan Exchange Control Commission are similar to those adopted in many other countries and,

broadly speaking, are based upon a policy of licensing imports of necessities, curtailing imports of luxuries or non-necessities, and possibly the discouragement of imports from countries which do not purchase Nicaraguan produce.

### COMMISSION'S REQUIREMENTS

Importers must apply for an authorization to order merchandise from abroad. Two true copies of orders for foreign products must be submitted to the Exchange Control Commission before the orders are despatched. The order form must give complete information regarding the nature, quality and quantity, as well as the total value of the goods and their c.i.f. Nicaraguan port value. The name of the country in which the exporting firm is located must be shown, in addition to the true origin of the merchandise. The Nicaraguan importer is required to list separately those foreign articles included in his order which he deems necessary, a secondary list to include those articles which cannot be classed as absolute needs.

An order for foreign merchandise bearing the authorization of the Exchange Control Commission must be forwarded to the foreign exporter, who will be unable to obtain a visé on his consular invoice unless the authorization of the Exchange Control Commission is presented. After the authorized order form has served this consular purpose, it should be returned to the Nicaraguan importer, who is required to present it to the customs before examination of the merchandise will be made. Similarly, the Nicaraguan importer is required to present the authorized order form to a bank or banker recognized by the Exchange Control Commission when arranging to pay for the merchandise.

### QUESTION OF REFUNDS

Payment must be made in national currency (cordobas), and once payment for foreign merchandise is made no refund is obtainable, except in special circumstances with the permission of the Exchange Control Commission, for the purchase of Nicaraguan products for export. Banks and bankers are required to render daily reports to the Exchange Control Commission giving details of payments received for foreign merchandise, the number of the collection, the name of the drawee, the date of the invoice, the name of the firm remitting, the country and city in which the merchandise originated, and the register number of the authorized order as well as the value authorized.

Merchants who, according to the records of the Exchange Control Commission, do not appear to have paid for foreign merchandise in the prescribed manner will be required to declare how payment has been made, and are liable to fines and suspension of all authorizations should their explanation prove unsatisfactory. When authorized order forms have served consular, customs, and banking purposes they must be surrendered to the Exchange Control Commission, which also requires a copy of all commercial invoices covering importations.

After all requirements of the Exchange Control Commission have been met, the customs duty paid, and full value in local currency deposited in the bank through which the draft was drawn, the necessary foreign exchange will be sold when available. In the allotment of foreign exchange preference is given to collections which cover imports of necessities such as food, clothing, medicines, and replacements.

### LIMITATION OF AUTHORIZATION TO IMPORT

Only merchants and industrialists included in the mercantile registry of Nicaragua and observing the regulations of the Nicaraguan Commercial Code may apply to the Exchange Control Commission for authorization to import foreign merchandise. Other enterprises, firms, or persons may apply for authorization to import technical articles, materials, machinery, or replace-

ments, providing the necessity for such importations has been proved to the satisfaction of a commission created to deal with such cases.

### NON-COMMERCIAL REMITTANCES

With certain exceptions in the cases of foreign diplomatic and government officials, invalids, and students, a tax of 10 per cent is imposed on all remittances to persons abroad for non-commercial, travelling, or other purposes.

### SPECIAL REGULATIONS FOR MINING COMPANIES

Companies engaged in mining in Nicaragua are permitted under special regulations of the Exchange Control Commission to use up to 70 per cent of the net proceeds in foreign currency of the sale of the products of their mines. This money is to be used for the payment of interest, dividends, the amortization of additional capital, and the payment of salaries to foreign technical employees. Funds thus exempted may also be used for the improvement and further exploitation of mines already in operation or for the development of new mining enterprises, the prior approval of the commission having been obtained.

### UNIT OF CURRENCY

The unit of currency in Nicaragua, the cordoba, has a nominal parity with the United States dollar, but the official value has been fixed at Cs.1.10 per U.S. dollar. It is reported, however, that the rate on the street is currently in the neighbourhood of Cs.1.65 per U.S. dollar.

## EXCHANGE CONTROL IN COLOMBIA

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama, July 14, 1936.—Important changes in the exchange control regulations of Colombia were effected by Decree No. 1588, dated Bogota, July 6, 1936. The original regulations, promulgated on January 30, 1935, permit amendments by presidential decree until August 31, 1937, in the event that an unfavourable balance of trade should develop or the gold reserves of the country become depleted, and in the past this power has been utilized only to facilitate the remittance abroad of foreign exchange covering legitimate commercial transactions conducted according to the requirements of the Exchange Control Board. During the first six months of 1936 the balance of trade of Colombia is reported as having been unfavourable, and the recent decree states in the preamble that it has become necessary to alter the exchange control system with a view to correcting this situation.

### STEPS FORMERLY TAKEN

In the administration of the regulations the Exchange Control Board has limited its activity during the past largely to the careful recording of orders for foreign merchandise and the issuance of permits to purchase foreign exchange, but does not appear to have taken cognizance of the quantity of Colombia products imported by foreign countries except that, in the case of foreign countries imposing restrictions upon the importation of Colombian products, foreign exchange was allowed only to a value equal to the total value of Colombian products imported.

However, the new regulations contained in Decree No. 1588 seem to suggest an approach to a compensation basis for foreign trade. Canadian exports to Colombia should not be adversely affected to any extent by the new regulations, since the balance of trade as between Canada and Colombia continues to be greatly in favour of Colombia.

## REQUIREMENTS OF THE EXCHANGE CONTROL BOARD

Colombian importers are required to file with the Exchange Control Board within ten days of despatch two copies of orders for foreign merchandise. One copy of the order is retained by the Exchange Control Board and the duplicate, bearing the visa of approval of the board, is returned to the importer as evidence that the filing of the required data has been effected within the ten-day period. Orders submitted to the Exchange Control Board for approval, in addition to the customary details, should include the following information: (1) name of foreign exporter or seller; (2) quantity, type or variety, and price of merchandise; (3) approximate total value; (4) date of shipment; (5) date or dates upon which the covering foreign exchange will be required.

## IMPORT LICENCES

Under the new regulations, which became effective on August 1, 1936, all such orders must be supplemented by an import licence for each shipment obtained from the Exchange Control Board. These licences will note the description of the merchandise, the anticipated number of packages, the approximate value in United States dollars, the country of origin of the merchandise, and will be issued in duplicate bearing the stamp of authentication of the board. The copy of the order form retained by the board, to which must be attached a copy of the import licence, will be forwarded to the consul of Colombia in the country from which the goods are to be shipped.

The authenticated copy of the import licence supplied to the importer by the board must be forwarded to the foreign exporter, who will be unable to obtain a consular invoice for the shipment unless the consul of Colombia has seen the import licence and found that it and all other shipping documents correspond in every detail with the information contained on the copy of the order and the licence on file at the consulate. In cases where the consul of Colombia finds all the documents in order the usual consular invoice is issued and the consul will return to the importer the copy of the import licence presented, upon which will appear the stamp of the consulate and a notation by the consul as to what portion of the import licence has been utilized. The consul will also state on the consular invoice the number, date, and other details of the relative import licence, and the importer also must make a note of the same particulars on the customs manifests and declarations.

## PRESENTATION OF IMPORT LICENCE

The copy of the order form bearing the visa of approval of the Exchange Control Board returned to the Colombian importer, and to which the licence to import is attached, must be presented when applying for a permit to purchase the necessary foreign exchange and should be supported for this purpose, where bills of exchange are concerned, by complete corroboratory documentary evidence such as bills of lading, original commercial invoice, consular invoice, certificate of origin, and a certificate or policy of insurance. If other than original, bills of lading and consular invoices used for this purpose must be certified true and correct copies either by the shipper or the forwarding agent.

The possession of an authenticated import licence and an order form approved by the Exchange Control Board, together with the required documentary evidence, does not guarantee that the application for a permit to purchase foreign exchange will be granted or that the necessary foreign exchange will be available when required. Whereas prior to June 10, 1936, a permit to purchase foreign exchange was valid for an unlimited period and expired permits were readily revalidated, Resolution No. 50 states that all permits to purchase foreign exchange previously granted will not be honoured if they were not used.

prior to June 30, 1936, unless they have been revalidated by a stamp showing that they have been presented to and reregistered by the Exchange Control Board.

#### REVALIDATION OF PERMITS

The Exchange Control Board is prepared to consider the revalidation of permits to purchase foreign exchange issued prior to July 1, 1936, only during the month of July and all such permits not revalidated before August 1, 1936, will be considered as definitely cancelled. When applying for the revalidation of a permit to purchase foreign exchange issued prior to July 1, 1936, banks, industrial concerns, and private parties must present, together with the application for revalidation, a return giving the number of the application, the date of the original approval, and the amount of money in foreign currency converted into United States dollars at the rate of exchange on July 1, 1936.

#### OTHER FACTORS

For the purpose of supplying the Government with a quantity of cheap foreign exchange, it is required that holders of export drafts surrender to the Banco de la Republica in foreign currency 12 per cent of the proceeds of exports at an official and fixed rate of exchange of ps.113 equals (United States funds) \$100. Peso balances standing to the credit of foreigners in Colombia may be utilized in meeting internal obligations.

For instance, such funds may be used, the prior consent of the Exchange Control Board having been obtained, for the purpose of purchasing Colombian products for export without the necessity of surrendering 12 per cent of the proceeds in foreign currency to the Banco de la Republica at the official rate. This exemption, however, does not apply to products of the staple industries of the country such as coffee, petroleum, bananas, gold, platinum, and hides.

Non-commercial remittances of foreign exchange except for the purpose of maintaining students abroad are subject to a special tax of 20 per cent.

By arrangement, payments for German products imported into Colombia or for freight, insurance, and other charges on non-German products shipped to Colombia in vessels flying the German flag must be effected only in compensation marks.

#### REASONS FOR DELAYS IN REMITTANCES

If a Colombian importer fails to register his order with the Exchange Control Board within ten days of despatch, his application for a permit to purchase foreign exchange will not be considered. In certain cases, however, the failure of an importer to file his order within the specified ten-day period may be explained to the satisfaction of the Exchange Control Board, and after some delay the permit to purchase foreign exchange may be issued. In order to avoid undue delay in such cases, Canadian shippers might be well advised to include with their documents two copies of the order as received.

Delays in remittances have been reported as due entirely to collection difficulties, but in some cases these delays are attributable to other causes. For example, a Colombian importer may surrender the required documents to the Exchange Control Board just before the maturity date of the relative bill of exchange merely for the purpose of avoiding the necessity of depositing the equivalent of the bill in pesos on the due date.

#### SUGGESTIONS TO CANADIAN EXPORTERS

In anticipation of such a probability, Canadian exporters might be well advised to authorize the collecting bank either:—

(1) to withhold protest of bills unpaid on maturity, providing failure in meeting such bills is due solely to the fact that a permit to purchase exchange

has not yet been obtained and also in such cases to waive demand for a covering peso deposit (under Colombian law failure to protest a bill for non-payment at maturity does not prejudice a drawer's right of action); or

(2) to demand payment of bills in full in pesos on date of maturity, all fluctuations in exchange between the time such payment is made and until authority to remit is obtained to be for remitter's risk. (It should be kept in mind that an equivalent peso deposit constitutes the final discharge of a bill.)

Under ordinary circumstances, in dealings with reliable Colombian firms, such delays should not arise. Canadian exporters should keep in mind, however, that it is impossible to negotiate a sight draft transaction in Colombia. The best that can be expected is the forwarding of remittance within approximately twenty-five days after arrival of merchandise. Drafts drawn at thirty days sight and attached to documents are suggested.

### UNIT OF CURRENCY

In the past the Colombian peso has been subject to wide and disturbing fluctuations on the foreign exchanges, which have tended at times to discourage prompt settlement of commercial obligations. On May 16, 1936, however, the Banco de la Republica suspended sales and purchases of foreign exchange through outside agencies, making it necessary for all foreign exchange transactions to be effected through the Banco de la Republica and its branches at fixed rates for the time being of ps.173 equals \$100 (United States funds) for purchases and ps.175.75 equals \$100 (United States funds) for sales. This step is reported to have curtailed speculation considerably and it is hoped will encourage legitimate business. At the present time it is estimated that 50 per cent of collections are met at maturity, about 30 per cent are paid within thirty days of maturity, and the balance are being held over by importers in anticipation of a more favourable rate of exchange.

## TRADE OF TIENTSIN IN 1935

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### II. Imports

Whereas the value of the exports shown in the trade statistics is given in Yuan dollars, that of each import item is given in Chinese Customs gold units as this unit of valuation is exclusively used for customs appraisement. The following table showing the net imports from abroad during 1935 and 1934, by main commodity groups, carries values calculated in gold units, which in 1935 were equivalent on the average to U.S.\$0.68, and in 1934 to U.S.\$0.66.

Commodity Group	1935	1934	Inc. or Dec.
	Gold Units	Gold Units	
Textiles and textile products . . . . .	5,511,450	7,265,658	— 1,754,208
Metals and ores . . . . .	6,498,879	6,534,806	— 35,927
Machinery and tools . . . . .	2,899,535	2,368,544	+ 510,991
Vehicles and vessels . . . . .	3,110,761	2,657,166	+ 453,595
Miscellaneous metal manufactures . . . . .	1,978,475	2,008,447	— 29,972
Fishery and sea products . . . . .	524,844	692,627	— 167,783
Animal products and groceries . . . . .	619,228	663,376	— 44,148
Cereals and flour . . . . .	1,585,525	2,257,965	— 672,440
Fruits, seeds and vegetables . . . . .	650,034	848,698	— 198,664
Medicinal substances and spices . . . . .	397,517	300,935	+ 96,582
Sugar . . . . .	1,900,707	1,948,866	— 48,159
Wines, spirits, etc. . . . .	376,841	421,551	— 44,710
Tobacco . . . . .	263,858	874,898	— 611,040
Chemicals and pharmaceuticals . . . . .	1,947,393	2,110,071	— 162,678
Dyes, paints, varnishes . . . . .	2,491,394	2,107,506	+ 383,888
Candles, soap, oils, fats, gums . . . . .	5,368,577	5,333,915	+ 34,662
Books, maps, paper, pulp . . . . .	3,780,591	3,431,016	+ 329,575

Commodity Group	1935	1934	Inc. or Dec.
	Gold Units	Gold Units	
Hides, leather, etc. . . . .	394,864	606,879	— 222,015
Timber . . . . .	2,254,684	2,771,210	— 516,526
Bamboo, straw, rattan and manufactures ..	248,711	333,484	— 84,773
Fuel, pitch and tar . . . . .	67,173	64,505	+ 2,668
China, glass and enamelware . . . . .	527,511	481,703	+ 45,808
Stones, earth and manufactures . . . . .	170,395	127,107	+ 43,288
Sundries . . . . .	3,081,190	2,978,615	+ 102,575
Total . . . . .	46,620,137	49,209,548	—2,589,411

There is a noticeable difference in the decrease in imports for the year when this is expressed in Customs gold units as compared to Yuan. This is occasioned through the unavoidable inaccuracy which arises from translating gold units into dollars by using an average exchange rate for the year for each of the gold unit and the dollar. The latter especially was subject to daily fluctuation and to a range of value amounting to 40 per cent from its low point. Moreover, in the first half of the year when exchange was high the imports were greater than during the last half when it was low, and therefore the translated value in dollars per gold unit was less as a consequence.

The general trend of trade for the year, similar to 1934, was a decrease in the main categories of consumption goods and an increase in those of capital goods. The former are being supplied more and more by local industry instead of being imported on such a large scale as occurred in former years, and the latter are being purchased from abroad in larger amounts to continue the policy of gradually building up China's home industries with the ultimate object of striking a neutral balance of trade.

In the former group the most outstanding decreases took place in textiles and textile products; cereals and flour; tobacco; timber; hides and leather; fruits, seeds, and vegetables; fishery and sea products; and chemicals and pharmaceuticals.

The main increases occurred in machinery and tools; vehicles and vessels; dyes, paints, and varnishes; and books, paper, and pulp.

## NOTES ON THE IMPORTS

### METALS AND ORES

The largest group in 1935 was metals and ores, which almost maintained its previous year's value and thereby displaced textiles from the premier position. There is little difference in the total value as compared to 1934, but the various principal component items show considerable change. Increases were registered in iron and steel galvanized angles, and also in bars, as well as in bar croppings and ends. The main decreases were in ungalvanized iron and steel pipes and in rails. The principal items, with their 1934 value in parentheses, were:—

Iron and steel rails ungalvanized, g.u.830,492 (g.u.1,389,223); iron and steel bars ungalvanized, g.u.912,242 (g.u.708,450); metals and ores n.e.e., g.u.996,996 (g.u.1,048,382); iron and steel sheets and plates ungalvanized, g.u.761,712 (g.u.717,342); iron and steel angles, etc., ungalvanized, g.u.702,754 (g.u.230,117); iron and steel tinned plates, g.u.630,763 (g.u.732,398); iron and steel sheets galvanized, g.u.417,913 (g.u.421,729); and iron and steel wire and wire rope, g.u.321,018 (g.u.373,308).

### TEXTILES

The textile group as a whole declined in value by 30 per cent during the year on top of a decline in the previous year of about 10 per cent. The cause of it is no doubt, to a certain extent, greater home purchases, but the intensive smuggling of piece-goods of all kinds can be considered as mainly responsible for the drop in value.

The most important section, cotton and its products, totalled g.u.3,107,880 (as compared to g.u.4,101,864 in 1934), a decrease of 24 per cent. Wool and its manufactures were valued

at g.u.1,167,394 (g.u.2,442,266), registering a drop of over 50 per cent. The flax, ramie, hemp, and jute sub-group helped to counterbalance somewhat these decreases by an increase of 112 per cent, reaching a total of g.u.1,001,089 (g.u.469,273). The only important item in this sub-group is gunny bags, which accounted for the entire increase which was necessary to accommodate the increased exports of certain products from the port. The silk sub-group (including rayon) showed little change at g.u.253,087 (g.u.252,255).

#### MACHINERY AND TOOLS

The machinery and tools group showed the largest increase of any group for the year, and every item in it, except prime movers and parts, shared in the advance. Electrical machinery rose in value by 29 per cent, textile machinery by 75 per cent, miscellaneous machinery by 27 per cent, and tools of all kinds by 20 per cent, witnessing the further advance made during the year in the light industrialization of North China. Prime movers decreased by 16 per cent. The main items in this group were:—

Machinery and parts n.e.e., g.u.1,408,829 (g.u.1,100,059); textile machinery and parts, g.u.536,896 (g.u.320,335); prime movers and parts, g.u.321,438 (g.u.477,033); machine and other tools, g.u.312,445 (g.u.258,884); and electrical machinery, g.u.299,927 (g.u.232,233).

#### VEHICLES AND VESSELS

The increase in the vehicles and vessels group was chiefly due to a 200 per cent rise in the imports of railway and tramway rolling stock. On the other hand, railway and tramway materials dropped by 26 per cent, but this was offset by small increases in motor tractors, trailers, trucks, buses and cars, parts and accessories, and bicycles and parts. The chief items in this group were:—

Bicycles and parts, g.u.1,203,175 (g.u.1,073,638); railway and tramway rolling stock, g.u.738,936 (g.u.247,566); railway and tramway materials, g.u.515,719 (g.u.714,106); motor cars and buses, g.u.325,717 (g.u.340,028); motor tractors, trailers, and trucks, g.u.166,325 (g.u.150,674); and motor vehicle parts and accessories, g.u.80,368 (g.u.68,672).

#### MISCELLANEOUS METAL MANUFACTURES

All the principal items in the miscellaneous metal manufactures group showed an increase, these embracing scientific instruments and apparatus, 17 per cent; electrical fittings and materials, 19 per cent; telephone and telegraph apparatus, 130 per cent; and radio sets and parts, 138 per cent. However, the miscellaneous item in this group, which is the principal one, by showing a drop in value of 27 per cent, offset the good showing made by the other items and brought the total for the whole group below that of the previous year. The principal items in this class were:—

Miscellaneous metal manufactures, n.e.e., g.u.871,732 (g.u.1,201,871); electrical fittings, fixtures, and materials, g.u.411,338 (g.u.347,134); scientific instruments and apparatus and parts, g.u.383,804 (g.u.331,664); radio sets and parts, g.u.230,048 (g.u.92,782); and telephonic and telegraphic instruments and materials, g.u.81,517 (g.u.34,996).

#### CEREALS AND FLOUR

The 30 per cent decrease in the cereals and flour group was due mainly to a 52 per cent drop in the imports of rice, evidence that the campaign to grow more of the country's foodstuffs is bearing fruit. Wheat also decreased by almost the same percentage, although the value of the wheat imports is much smaller than that of rice. Wheat flours, on the other hand, rose in value by 156 per cent, although this was abnormal since the entire excess as compared to 1934 came from the United States under the Wheat and Cotton Loan and will not recur in the present year. In this group the main items were: rice and paddy, g.u.794,929 (g.u.1,646,039); wheat flour, g.u.593,129 (g.u.232,663); wheat, g.u.164,521 (g.u.328,516); and cereals and flour n.e.e., g.u.32,946 (g.u.50,747).

## SUGAR

Sugar is the second article which bulks so largely in the activities of smugglers. However, although a small decrease was registered, the effect of sugar smuggling is not readily apparent in this year's statistics as it commenced in earnest only during the last few weeks of the year. At present there is practically no legitimate import of this article, nor has there been any since the beginning of 1936. This item is bound to show a huge drop when the present year's figures are published. The chief items in it were: refined sugar, with more than 2 per cent of invert sugar, g.u.1,076,757 (g.u.1,100,427); and other sugars, g.u.786,447 (g.u.798,847).

## CHEMICALS AND PHARMACEUTICALS

The chemicals and pharmaceuticals group contributed in some measure to the decreased imports for the year. There was also considerable fluctuation in the values of the various constituent items, no one of them being particularly responsible for the diminution in the value of the total. The principal ones were:—

Chemicals, chemical compounds, etc., n.e.e., g.u.786,279 (g.u.707,856); medicines, drugs, etc., n.e.e., g.u.451,846 (g.u.433,283); sulphate of ammonia, g.u.262,373 (g.u.143,175); soda ash, g.u.154,929 (g.u.340,497); acids, g.u.139,624 (g.u.269,851); chlorate of potash, g.u.71,578 (g.u.95,728); and caustic soda, g.u.54,365 (g.u.63,851).

## DYES, PAINTS, AND VARNISHES

The dyes, paints, and varnishes group registered a notable increase during the year, amounting to 16 per cent. With one or two exceptions all the chief items shared in this increase: These were: aniline and other coal tar dyes, g.u.1,002,255 (g.u.851,749); dyes, pigments, etc., n.e.e., g.u.549,700 (g.u.585,834); sulphur black, g.u.527,375 (g.u.434,397); artificial liquid or paste indigo, g.u.347,794 (g.u.180,023); and printing ink, g.u.64,270 (g.u.52,806).

## CANDLES, SOAP, OIL FATS, AND GUMS

As compared with a 32 per cent decrease in 1934 in the candles, soap, oil fats, and gums class, there was practically no change in the total value during the year under review.

Kerosene was the largest item with a value of g.u.3,826,201 (g.u.3,797,610), followed by gasoline, naphtha, and benzine, g.u.757,694 (g.u.714,633); oils, gums, waxes, etc., n.e.e., g.u.190,651 (g.u.186,105); lubricating oil, g.u.155,751 (g.u.175,690); and toilet and fancy soap, g.u.144,247 (g.u.125,685).

## BOOKS, PAPER, AND PULP

An increase of over 9 per cent in the books, paper, and pulp group contributed somewhat to arrest the downward trend of imports. The principal items were:—

Newsprint, g.u.1,293,258 (g.u.1,274,578); paper and paperware n.e.e., g.u.920,694 (g.u.641,091); printing paper n.e.e., g.u.558,224 (g.u.537,775); books and music, etc., g.u.346,235 (g.u.488,830); writing and drawing paper, etc., g.u.228,384 (g.u.132,997); packing and wrapping paper, g.u.168,916 (g.u.170,820); paper boards, g.u.133,049 (g.u.73,022); and cigarette paper, g.u.100,665 (g.u.92,389).

## TIMBER

The falling off in railway building activity in North China during 1935 was mainly responsible for the 19 per cent drop in the imports of timber as compared to 1934. Every item in the group shared in this decrease, but the one most affected was railway sleepers, which diminished by 45 per cent. Softwood timber totalling g.u.1,272,118 (g.u. 1,308,875) was the largest item, followed by railway sleepers, g.u.538,813 (g.u.973,882); hardwood timber, g.u.285,804 (g.u.328,865); and timber and wood n.e.e., g.u.273,259 (g.u.354,446).

## SUNDRY

In the sundry group the main enumerated articles were: rubber tires and tubes, g.u.601,159 (g.u.584,353); rubber boots and shoes, g.u.288,532 (g.u.242,557); photographic materials, g.u.153,636 (g.u.257,026); and perfumery and cosmetics, g.u.100,928 (g.u.111,600).

## CHAIN STORES IN JAPAN

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

Tokyo, June 24, 1936.—Although the chain store system in Japan cannot be compared with the types found in Canada and the United States, a system of branch stores has grown up which is to some extent similar. As canned goods are not popular among the Japanese, grocery chain stores are rarely established as the average housewife buys her fresh vegetables, rice, fish, and meat direct from small stores specializing in the particular food required. There are, however, a few small companies which handle imported goods besides domestic, and one company has about twelve chain stores in the city of Tokyo. There are also various foreign-style food restaurants which, besides having several branches of their restaurants in various districts of the big cities, carry on a retail business in such products as fruits and confectionery.

There are many department stores that have branches in the largest cities of Japan; but only one firm—Takashimaya Ltd.—may be classed as an operator of chain stores properly so called. Besides having two large branches, they own and operate fifty-seven chain stores which specialize in 10-sen and 20-sen merchandise. Of these fifty-seven stores, twenty-four are located in Tokyo, twenty in Osaka, seven in Kyoto, and the remainder in other cities. These stores cannot be put in the same class as (say) Woolworth as, although the goods are chiefly of 10- and 20-sen value, more expensive ones can be purchased also; 5 yen is about the limit.

Branch stores are operated by, among others, the large confectionery firms of Morinaga and Meiji. These firms have more than twenty branches each in the larger cities. Besides selling all varieties of chocolates and biscuits, they also serve soft drinks at tables in the rear of each store. One bakery alone has twenty stores in the city of Tokyo. The branch store is also operated by drug, milk, beer, and "sake" (national drink of Japan) companies.

## BRITISH MERCHANDISE MARKS ACT

Referring to the notice published in *Commercial Intelligence Journal* No. 1684 (May 9, 1936), the Canadian Trade Commissioner in London writes that the Merchandise Marks (Imported Goods) No. 1 Order, 1936, has now been confirmed by Parliament.

According to this order, it shall not be lawful to sell, or expose for sale, in the United Kingdom any imported fancy articles of the following descriptions: vanity cases, lipstick holders, and similar cosmetic receptacles, made wholly or mainly of metal, unless they bear an indication of origin. The indication of origin should be die-stamped or otherwise impressed, incised or embossed on each article, or printed or stamped on a label securely attached or affixed thereto.

Experience shows that Canadian manufacturers supplying such goods to this market will be expected by their customers to undertake this marking before shipment.

The order comes into operation on October 3, 1936.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### Canada—New Zealand Trade Agreement Extended

With reference to the item appearing in last week's issue of the *Commercial Intelligence Journal*, page 145, regarding continuation of the Canada—New Zealand trade agreement, Orders in Council were passed by the Government of Canada on July 22 and by the Government of New Zealand on July 23 extending the term of the agreement until September 30, 1937.

### Imperial Preference on Leather

In *Commercial Intelligence Journal* No. 1677 (March 21, 1936) notice was given that the United Kingdom Customs have established a special procedure, supplementary to the customary Certificate of Origin regulations, to be followed by Canadian manufacturers claiming Imperial Preference on shipments to the United Kingdom of wooden tool and implement handles.

The Canadian Trade Commissioner in London now writes that somewhat similar action has been taken with regard to Canadian exports of leather to the United Kingdom. Canadian tanners of dressed and undressed leather, engaged in export trade to the United Kingdom, have been advised that in the case of future claims to preference on such goods, either the certificate of origin should be endorsed with a declaration that the consignment of leather covered by the certificate has been manufactured exclusively from hides taken from animals slaughtered in an Empire country, or, where foreign hides have been used, the claim to preference should be supported by costings in the form set out in Appendix V of Notice No. 27A.

Canadian tanners are further notified that they should make arrangements with their suppliers to show the country of origin of the hides on the relevant purchase invoices, and these invoices should be preserved for inspection by representatives of the Customs, if required.

These special rules in the case of wooden tool handles and leather seem to indicate that the United Kingdom Customs are in particular circumstances not prepared to accept the usual certificate of origin by itself as sufficient to establish prima facie evidence of the claim to preference. The only commodities in which, so far as is known, supplementary declarations are being suggested as a general requirement are wooden tool handles, which require to satisfy a 50 per cent Empire content, and leather, which requires a 25 per cent Empire content.

In the view of the Customs, the question of whether or not these articles qualify for preference depends fundamentally upon the origin of the basic raw material—wood and hides respectively.

This explains why, in the absence of a statement that these raw materials are wholly of Empire origin, the Customs require the Canadian manufacturer to produce full details as to manufacturing costs before his claim to preference can be admitted.

### Belgian Import Licence Tax

Mr. Maurice Bélanger, Assistant Trade Commissioner at Brussels, reports under date July 15 that royal decrees, dated July 14 and published in *Moniteur Belge* of July 15, provide that a special tax will be collected in Belgium on licences to import lard and certain meat products. The tax will be collected at the rate of 50 centimes per kilogram for frozen beef, pork, and mutton; 50 centimes per kilogram for pure lard; and at a rate varying between 1 franc and 1.50 franc per kilogram on salted, smoked, or canned meats. This measure came into force on July 14 and will remain in force until October 31, 1936.

(One Belgian franc equals \$0.0339; one kilogram equals 2.2046 pounds)

### Belgian Tariff Change on Hosiery

Mr. Maurice Bélanger, Assistant Trade Commissioner at Brussels, reports under date July 15 that a recent circular addressed by the Belgian Ministry of Customs to the various customs ports provides that in future the duty on hosiery of silk or rayon will be collected on the net weight of the goods without packing of any kind. Previously the duty had been collected on the weight of the goods plus inside packing, such as cellophane envelopes, cardboard support, etc. The circular also provides that no duty will be collected on silk thread for mending attached to stockings if the weight does not exceed a few grams. This measure is applicable immediately.

### Mexican Consular Invoice Charges

Mr. S. G. MacDonald, Acting Trade Commissioner in Mexico City, reports under date July 16, 1936, that instructions have been issued by the Mexican Government to its consular officers abroad to resume the former method of computing the 5 per cent advance deposit of the *net* value of merchandise consigned to Mexico, with allowance for freight, insurance, and commercial discounts. During a recent period the calculation of the deposit has been made on the *gross* value indicated in the commercial invoice without any allowances.

The amount to be deposited by the shipper, as heretofore, will be deducted from the amount of the import duties assessed against the merchandise at the port of entry.

For the month of August, 1936, for these customs purposes the Canadian dollar has been declared by the Mexican Department of Finance as equivalent to 3.5408 pesos.

### Chinese Regulations Governing Patent and Proprietary Medicines

With reference to the report in *Commercial Intelligence Journal* No. 1655 (October 19, 1935), pages 696-697, and to the subsequent notice in *Commercial Intelligence Journal* No. 1666 (January 4, 1936), page 42, regarding Chinese regulations governing patent and proprietary medicines, Mr. H. A. Scott, Canadian Trade Commissioner at Shanghai, writes under date July 8 that information has been received from the Shanghai General Chamber of Commerce which indicates that the enforcement of the regulations is to be again postponed, until January 1, 1937.

### BRITISH TRADE COMMISSIONERS IN CANADA

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 901-902 Bank of Hamilton Building, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Western Canada), 850 West Hastings Street, Vancouver. Telegraphic address: "Vancom."

The Officer-in-Charge (for Manitoba and Saskatchewan), British Trade Commissioner's Office, 703 Royal Bank Building, Winnipeg. Telegraphic address: "Wincom."

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 27

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending July 27, 1936, with the official bank rate. Quotations for the week ending July 20, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 20	Nominal Quotations in Montreal Week ending July 27	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1887	\$ .1886	3½
Belgium . . . . .	Belga	.1001	.1691	.1686	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0416	.0414	3
Denmark . . . . .	Krone	.2680	.2247	.2241	3½
Finland . . . . .	Markka	.0252	.0221	.0221	4
France . . . . .	Franc	.0392	.0663	.0661	3
Germany . . . . .	Reichsmark	.2382	.4037	.4027	4
Great Britain . . . . .	Pound	4.8666	5.0337	5.0175	2
Greece . . . . .	Drachma	.0130	.0093	.0094	4
Holland . . . . .	Guilder	.4020	.6815	.6796	3
Hungary . . . . .	Pengo	.1749	.2952	.2948	4
Italy . . . . .	Lira	.0526	.0790	.0789	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0231	.0230	5
Norway . . . . .	Krone	.2680	.2530	.2521	3½
Poland . . . . .	Zloty	.1122	.1894	.1890	5
Portugal . . . . .	Escudo	.0442	.0456	.0455	4½
Roumania . . . . .	Leu	.0060	.0073	.0073	4½
Spain . . . . .	Peseta	.1930	.1371	.1369	5
Sweden . . . . .	Krona	.2680	.2596	.2587	2½
Switzerland . . . . .	Franc	.1930	.3275	.3270	2½
United States . . . . .	Dollar	1.0000	1.0006	1.0000	1½
Mexico . . . . .	Peso	.4985	.2781	.2776	4-5
Cuba . . . . .	Peso	1.0000	.9996	.9990	—
Guadeloupe . . . . .	Franc	.0392	.0663	.0661	—
Jamaica . . . . .	Pound	4.8666	5.0450	5.0275	—
Martinique . . . . .	Franc	.0392	.0663	.0661	—
Other British West Indies	Dollar	1.0138	1.0487	1.0453	—
Argentina . . . . .	Peso (Paper)	.4245	.3356	.3347	—
Brazil . . . . .	Milreis (Paper)	.1196	.0844	.0848	—
British Guiana . . . . .	Dollar	1.0138	1.0487	1.0453	—
Chile . . . . .	Peso	.1217	.0510	.0517	4½
Colombia . . . . .	Peso	.9733	.5694	.5690	4
Peru . . . . .	Sol	.2800	.2489	.2487	—
Venezuela . . . . .	Bolivar	.1930	.2402	.2400	—
Uruguay . . . . .	Peso	1.0342	.7974	.7969	—
South Africa . . . . .	Pound	4.8666	5.0287	5.0112	—
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1632	5.1500	—
China (Shanghai) . . . . .	Dollar	.....	.3000	.3002	—
Hongkong . . . . .	Dollar	.....	.3236	.3155	—
India . . . . .	Ruppee	.3650	.3799	.3786	3
Japan . . . . .	Yen	.4985	.2936	.2929	3.29
Java . . . . .	Guilder	.4020	.6849	.6828	4
Siam . . . . .	Baht (Tical)	.4424	.4614	.4602	—
Straits Settlements . . . . .	Dollar	.5678	.5902	.5884	—
Australia . . . . .	Pound	4.8666	4.0275	4.0140	—
New Zealand . . . . .	Pound	4.8666	4.0600	4.0460	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Concurrent with political unsettlement in Spain, leading foreign exchanges weakened, but towards the close of the week both the gold "bloc" unit and the sterling group displayed a somewhat firmer tone. Despite official control measures, the Spanish peseta declined from 13.72 cents (Canadian funds) on the 21st to 13.69 cents on the 25th. For the first time since early May, the Canadian dollar was quoted on par with the United States dollar on the 24th. This gain was credited to considerable purchases of Canadian funds on the part of grain interests with which to meet wheat contracts. The French franc moved down from 6.63 cents to 6.60 cents on the 24th but closed the week at 6.61 cents. The pound sterling declined from \$5.03 to \$5.01 and then rose to \$5.02 on these respective dates.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.  
Portage la Prairie, Man.

St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Miscellaneous—</b>			
Pharmaceutical Products.....	540	S. Pedro de Macoris, Dominican Republic.	Purchase.
Box Calf Leather.....	541	Hongkong.....	Agency.
Paints.....	542	Santo Domingo, Domin- ican Republic.....	Agency.
Sulphate of Ammonia.....	543	Glasgow, Scotland.....	Purchase.
Lighting Fixtures and Fittings....	544	Sydney, Australia.....	Agency.
Machinery (Brick and Tile).....	545	Madrid, Spain.....	Purchase.

## CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No. 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

## PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

### From Montreal

*To Liverpool.*—Duchess of Richmond, Aug. 7; Duchess of Bedford, Aug. 11; Montcalm, Aug. 14; Montclare, Aug. 19; Duchess of York, Aug. 23; Duchess of Atholl, Aug. 28—all Canadian Pacific; Antonia, Aug. 14; Andania, Aug. 28—both Cunard-White Star Line.

*To London.*—Beaverhill, Aug. 7; Beaverford, Aug. 14; Beaverbrae, Aug. 21; Beaverdale, Aug. 28; Beaverburn, Sept. 4—all Canadian Pacific; Alaunia, Aug. 7; Ascania, Aug. 14; Aurania, Aug. 21; Ausonia, Aug. 28—all Cunard-White Star Line.

*To Manchester.*—Manchester Port, Aug. 6; Manchester Producer, Aug. 13; Manchester Commerce, Aug. 20; Manchester Division, Aug. 27; Manchester Regiment, Sept. 3; Manchester Citizen, Sept. 10—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Norwegian, Aug. 5; Kastalia, Aug. 22; Dakotian, Sept. 9—all Cunard-Donaldson and Dominion Lines.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Aug. 26.

*To Cardiff, Bristol and Swansea.*—Bristol City, Aug. 13; Boston City, Aug. 31; New York City, Sept. 18—all Bristol City Line.

*To Glasgow.*—Letitia, Aug. 7; Airthria, Aug. 14; Athenia, Aug. 21; Sulairia, Aug. 28—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnesk, Aug. 6; Cairnglen (calls at Dundee), Aug. 20; Cairnross, Sept. 3—all Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kelso, Aug. 4; Kyno, Aug. 25—both Ellerman's Wilson Line.

*To Dublin and Belfast.*—Themisto, Aug. 7; Fanad Head, Aug. 22—both Head Line (cargo accepted for Londonderry and Cork).

*To Antwerp and Havre.*—Beaverhill, Aug. 7; Beaverbrae, Aug. 21; Beaverdale, Aug. 28; Beaverburn, Sept. 4; Beaverford, Sept. 18—all Canadian Pacific (do not call at Havre); Grey County, Aug. 25; Brant County, Sept. 3; Columbia, Sept. 19—all County Line.

*To Rotterdam.*—Kings County, Aug. 14; Alaska, Aug. 29; Hada County (calls at Dunkirk), Sept. 8—all County Line.

*To Hamburg.*—Anhalt (calls at Bremen), North German Lloyd Line, Aug. 7; Beaverford, Canadian Pacific, Aug. 14; Hagen (calls at Bremen), Hamburg-America Line, Sept. 4.

*To Copenhagen, Gothenburg and Baltic Ports.*—Consul Corfitzon, Swedish-America-Mexico Line, Aug. 22.

*To Norwegian Ports.*—Tyrifjord, Norwegian-America Line, Aug. 3.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Navemar, Gardiaz Line, Aug. 17.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Lena, Aug. 25; Capo Olmo, Sept. 22—both Capo Line.

*To Marseilles, Genoa, Barcelona and Spanish Ports.*—A steamer, Canada-Mediterranean Line, Aug. 25.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Delia (calls at Trinity and Conception Bay ports), Aug. 6; a steamer (does not call at St. Pierre), Aug. 22—both Shaw SS. Co. Ltd.; Belle Isle, Newfoundland-Canada SS. Co., Aug. 14.

*To Cornerbrook, Nfld.*—New Northland, Aug. 3; North Voyager, Aug. 10—both Clarke SS. Co.

*To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Colborne, Aug. 6; Chomedy, Aug. 20; Cornwallis, Sept. 3—all Canadian National.

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras)*—Lady Rodney, Aug. 5; Cavalier (does not call at Hamilton or Nassau), Aug. 14; Lady Somers, Aug. 19; Cathcart (does not call at Hamilton or Nassau), Aug. 28—all Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Flint II, Aug. 12; a steamer, Aug. 30—both Ocean Dominion SS. Corp.

*To Brisbane, Sydney, Melbourne and Adelaide.*—City of Wellington, Montreal Australia New Zealand Line, Aug. 29.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Canadian Highlander, Montreal Australia New Zealand Line, Aug. 25.

*To Manila, Hongkong, Shanghai, Yokohama and Dairen.*—City of Lyons, Canada Far East Line, Aug. 3.

*To Yokohama, Kobe and Osaka.*—A steamer, Kokuai Line, August.

*To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.*—Meriones (does not call at Freetown, Lourenco Marques or Beira), Aug. 5; Mattawin, Aug. 25—both Elder Dempster Lines Ltd.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Johannesburg, Aug. 12; City of Glasgow, Aug. 28; City of Salisbury, Sept. 12—all Ellerman & Bucknall SS. Co.

*To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—Prometheus, Aug. 15; Kota Pinang, Sept. 14—both Java-New York Line.

*To Columbia, Ecuador, Peru and Chile.*—A steamer, Canadian National, monthly.

*To Montevideo and Buenos Aires.*—Velox, Aug. 5; Dagrund, Aug. 15—both Canada-South America Line; Nyanza (calls at Santos but not at Montevideo), International Freight-iron Corp., Aug. 15.

### From Quebec

*To Southampton.*—Empress of Britain, Aug. 15 and 29; Empress of Australia, Sept. 3—both Canadian Pacific.

### From Saint John

*To Manchester.*—Manchester Brigade, Manchester Line, Aug. 22.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Aug. 5; Lady Hawkins, Aug. 19; Lady Drake, Sept. 2—all Canadian National.

*To Kingston and Jamaican Outports.*—A steamer, United Fruit Line, August.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—A steamer, American and Indian Line, August.

### From Halifax

*To Liverpool.*—Nova Scotia, Aug. 18; Newfoundland, Sept. 5—both Furness Line.

*To London and Hamburg.*—Cold Harbour, American Hampton Roads, Aug. 15 (calls at Hull, Leith and Dundee).

*To Copenhagen and Baltic Ports.*—Batory (calls at Gdynia), Gdynia-America Line, Aug. 5 and Sept. 11.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Amherst, Aug. 3; Fort Townsend, Aug. 10—both Furness-Red Cross Line; Kongshaug, Newfoundland-Canada SS. Ltd., Aug. 10; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Aug. 12; Newfoundland (does not call at St. Pierre), Furness Line, Aug. 18.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Aug. 13; Lady Hawkins, Aug. 27; Lady Drake, Sept. 10—all Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Flint II, Aug. 17; a steamer, Sept. 4—both Ocean Dominion Line.

*To Santiago (Cuba) and Kingston (Jamaica).*—Kirsten B, Aug. 12; Ciss, Aug. 26—both Pickford & Black Ltd.

*To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Colborne, Aug. 10; Chomedy, Aug. 24; Cornwallis, Sept. 7—all Canadian National.

*To Kingston (Jamaica) and Belize (British Honduras).*—Cathcart, Aug. 3; Cavalier, Aug. 17—both Canadian National.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Cingalese Prince, Aug. 22; Silversandal, Aug. 29; Silverlarch, Sept. 5—all Silver-Prince Line.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, Aug. 11; Hiye Maru, Aug. 29; Heian Maru, Sept. 12—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Asia (calls Nagasaki), Aug. 8; Empress of Canada (calls Honolulu), Aug. 22; Empress of Russia (calls Nagasaki), Sept. 5; Empress of Japan (calls Honolulu), Sept. 19—all Canadian Pacific; Talithybius, Aug. 30; Tyndareus, Sept. 27—both Blue Funnel Line (call at Miike but not at Manila).

*To Shanghai.*—Stonegate, Ocean Shipping Co. Ltd., Aug. 10.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Kota Agoeng, Aug. 31; Bintang, Sept. 30—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Niagara, Aug. 12; Aorangi, Sept. 9—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Bear, Aug. 15; Golden Cloud, Sept. 15—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Cape Horn, Aug. 8; Hauraki, Sept. 15—both Canadian-Australasian Line.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—A steamer, Empire Shipping Co., August.

*To Sydney, Melbourne and Adelaide.*—Anglo Indian, August; Harmanteh, August-September; a steamer, September—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Nichteroy, Aug. 8; Damsterdyk (calls at Glasgow), Aug. 22; Lochgoil, Sept. 5—all Holland-America Line.

*To London, Liverpool and Cardiff.*—A steamer, Reardon Smith Line, August.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., August.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—A steamer, Empire Shipping Co., August.

*To Scandinavian Ports.*—Buenos Aires, Aug. 10; Canada, Aug. 17; Axel Johnson, Aug. 27—all Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—A steamer, Empire Shipping Co., August.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—Brynje, Canadian Transport Co., August 17.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Silverbelle, Aug. 5; Manoeran, Sept. 5—both Silver-Java Pacific Line.

*To Cape Town, Algoa Bay, East London, Durban and Lourenco Marques.*—A steamer, South African Dispatch Line, August.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Hardanger, Aug. 21; Brandanger, Sept. 22—both Empire Shipping Co.

*To Puerto Colombia, Kingston and Tampico.*—A steamer, Gulf Pacific Mail Line Ltd., August.

### From New Westminster

*To London and Liverpool.*—Sacramento Valley (calls at Cardiff), Reardon Smith Line, Aug. 3; Ionic Star (calls at Glasgow, Rotterdam and Newcastle), American Mail Line, Aug. 6; Gracia (calls at Glasgow), Balfour Guthrie & Co., Aug. 8; Nichteroy (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., Aug. 9; Pacific Grove (calls at Glasgow and Manchester), Furness Line Ltd., Aug. 13; Steel Engineer (calls at Avonmouth), B. W. Greer & Son Ltd., Aug. 20; Abraham Lincoln (calls at Oslo), Aug. 25; Daldorck (does not call at Liverpool), Aug. 26—both Anglo-Canadian Shipping Co.

*To United Kingdom Ports.*—Chloe, Aug. 7; Dalhanna, Aug. 12—both Anglo-Canadian Shipping Co.

*To Rotterdam, Antwerp and Ostend.*—Fermia, Ocean Shipping Co., Aug. 20.

*To Havre, Antwerp, Rotterdam, Dunkirk and Bordeaux.*—San Diego, Empire Shipping Co., Aug. 27.

*To Chinese Ports.*—Rio Dorado, Ocean Shipping Co., Aug. 20.

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, Aug. 6; Hiye Maru, Aug. 20—both B. W. Greer & Son Ltd.

*To South African Ports.*—King Lud, Canadian Transport Co., Aug. 20.

**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

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**CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT  
OF TRADE AND COMMERCE**

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Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

**MISCELLANEOUS**

- Annual Report of the Department of Trade and Commerce. (Price 25 cents.)
- Annual Report of the Board of Grain Commissioners for Canada. (Price 25 cents.)
- Annual Report of the Electricity and Gas Inspection Services. (Price 10 cents.)
- Annual Report of Dominion Grain Research Laboratory. (Price 10 cents.)
- Catalogue of Motion Pictures. (Price 25 cents.)
- List of Licensed Elevators, etc. (Price 50 cents.)

**PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE**

NOTE.—Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. Although subscribers to the Commercial Intelligence Journal are entitled to receive such reports free of charge, in all other cases their distribution is controlled by the King's Printer, who fixes a price therefor as indicated in the following list:—

- Commercial Intelligence Journal weekly (in English and French), containing Reports of Trade Commissioners and other Commercial Information. Annual Subscription: In Canada, \$1; single copies, 5 cents. Outside Canada, \$3.50; single copies, 10 cents.
- Australian Market for Fish Products (1931).
- Canadian Export Timbers.
- French-Canadian Homespun Industry.
- Greece as a Market (1931).
- Invoice Requirements: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.
- Map of the World showing Trade Routes. (1930 Edition.)
- Markets of Central America (1929).
- Points for Exporters: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.
- Sweden as a Market for Canadian Products (1928).
- Switzerland as a Market (1929).
- Trade of the African Sub-Continent (1928).
- Trade Possibilities of the Baltic States (1929).
- Trading with Colombia and Venezuela (1928).
- Jugoslavia as a Market (1930).

**PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS**

The following is a condensed list of publications of the Dominion Bureau of Statistics:  
Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry mining, construction and manufactures; Vital: births, deaths, marriages, divorces.

- Canada, 1936. (Price 25 cents.)
- Canada Year Book. (Price \$1.50).
- Report of the Dominion Statistician, Annual. (Price 10 cents.)
- Trade (External), (Imports and Exports)—Annual Reports: Fiscal Year (price \$3), Calendar Year (price 50 cents); Quarterly Report (price \$2 per annum); Monthly Report (price \$1 per annum.)
- Trade (Internal), Prices, cost of living, capital movements, etc. (Price 50c. per annum.)
- Monthly Review of Business Statistics. (Price \$1 per annum.)

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*  
*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, Northern Sumatra, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

*Tientsin:* C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

### Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

### Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

### Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

### India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

### Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

*Tokyo*: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

*Kobe*: R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

### Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

### Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

### New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

### Panama

W. J. RIDDFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town*: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

*Johannesburg*: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

### United Kingdom

*London*: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London*: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London*: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucom.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London*: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool*: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

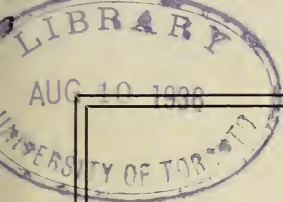
*Bristol*: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow*: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City*: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



# COMMERCIAL INTELLIGENCE JOURNAL

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Canadian Flour being delivered from Importer's Warehouse  
to Bakery at Batavia, Java.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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# COMMERCIAL INTELLIGENCE JOURNAL

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## INDEX TO THE "COMMERCIAL INTELLIGENCE JOURNAL"

The Index to the *Commercial Intelligence Journal* for the six months ended June 30, 1936 (Nos. 1666 to 1691 inclusive), is now in the hands of the printer and will be sent out shortly to subscribers. Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to preserve them, with the Index, in bound volumes, or in some other convenient form. Back numbers of the Index, as well as additional copies, may be had free of charge on application to the Department of Trade and Commerce, Ottawa.

## TRADE COMMISSIONERS ON TOUR

Mr. V. E. Duclos, Canadian Trade Commissioner at Hongkong (whose territory includes South China, the Philippines, and Indo-China); and Mr. L. M. Cosgrave, Canadian Trade Commissioner at Melbourne, Australia, are at present on tour in Canada in the interest of Canadian trade with their respective territories.

Their itineraries are as follows:—

### Mr. Duclos

Hamilton . . . . .	Aug. 18 and 19	Paris and Brantford. . .	Aug. 24
Welland. . . . .	Aug. 20	Woodstock and London .	Aug. 25 and 26
Guelph . . . . .	Aug. 21	Windsor. . . . .	Aug. 27
Kitchener . . . . .	Aug. 22	Toronto. . . . .	Aug. 28 to 31

### Mr. Cosgrave

Kitchener . . . . .	Aug. 10 and 11	Regina . . . . .	Sept. 9
Windsor. . . . .	Aug. 12 and 13	Calgary . . . . .	Sept. 10
London . . . . .	Aug. 14 and 15	Edmonton . . . . .	Sept. 11
Winnipeg . . . . .	Sept. 7	New Westminster. . . .	Sept. 14 and 15
Portage la Prairie . .	Sept. 8		

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Winnipeg and Edmonton, with the office of the Canadian Manufacturers Association; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## CONDITIONS IN THE UNITED KINGDOM

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, July 24, 1936.—The conclusion of the half-year finds further improvement in home trade and industry. Employment has risen to a new record and the increase has been of an all-round character. The improvement is still confined to home trade, with exports but little higher than a year ago. General indications are favourable: imports of raw materials have shown an increase, production of electric power is higher, demand for industrial chemicals is fairly active, and railway freight receipts have been more than maintained. Capital goods industries have felt the revival most markedly, although consumption goods industries continue to make progress. Money is being spent freely, and retail sales have increased by  $7\frac{1}{2}$  per cent. The expansion of employment, together with some recent wage increases, should presage a greater volume of consumption.

### EMPLOYMENT

It is estimated that on June 22, 1936, the number of insured workers, exclusive of agricultural, in employment in Great Britain was about 10,832,000, which was 1,000 more than a month before and 441,000 more than in June, 1935. The numbers of unemployed, as at June 22, were 1,326,057 wholly unemployed, 301,793 temporarily stopped, and 74,826 normally in casual employment, making a total of 1,702,676, which was 2,366 less than in May and 297,434 less than in June, 1935.

There has been an improvement in employment in most of the principal industries, especially shipbuilding, engineering, iron and steel manufacture, public works contracting, printing and book-binding, the transport and distributive trades, and hotel and boarding house service. There has been a decrease in employment in the coal-mining industry (partly accounted for by temporary suspension of work in Yorkshire coincident with the taking of the returns) and in the tailoring, boot and shoe, wool textile, and motor vehicle industries.

In the case of about 44 per cent of the total of registered applicants for benefit or unemployment allowances the last spell of registered unemployment had lasted less than six weeks, for about 55 per cent it had lasted less than three months, and for about 65 per cent, less than six months; about 24 per cent of the total had been in the register for a year or more.

### BUILDING

Official statistics for the half-year ending March 31, 1936, indicate a continuance of the high rate of building activity maintained during recent years, particularly the past three: 174,009 houses were completed in those six months. This is a record which breaks the previous record of 168,727 houses built in the six months ending March 31, 1935. Particular interest is attached to the feature that about 90 per cent (actually 155,314) were small houses and houses to let; the proportion in 1926 was under 70 per cent.

Progress with official slum clearance is indicated by the increasing number of houses provided by local authorities in the half-year ending March 31: about 27,000 new houses were completed and over 21,000 houses were demolished. It may also be noted that, on June 13, reports received from the greater part of the local authorities, including all the large centres of population, indicated that, of 8,269,130 houses surveyed, 316,455 or about 3·8 per cent were officially considered to be overcrowded. The Ministry of Health proposes shortly to issue an order specifying those districts in which overcrowding will become an offence on January 1, thus indicating that there is to be no slackening in the clearance of slums.

The building industry, with nearly one million insured workers, and the trades ancillary to it, constitute a very important section of the industrial organization of the country; any appreciable decrease of building, unless compensated by other activity such as those concomitant with the rearmaments program, would leave a gap in trade and commerce of greater proportions than may be commonly realized. Recession in home-building activity must come, if for no other reason than the unlikelihood of the rate of over 300,000 houses per annum being maintained. That recession has been predicted for some time but it is slow of actual occurrence. Some gradual slackening of progression, especially of construction for private purchase-by-mortgage, may not be unexpected within the next year or two.

House-building for the owner-occupier has, to no small extent, been accompanied by intensive advertising and selling methods which include lower instalments over longer periods, thereby encouraging engagements by providing for payments superficially lower than current rents. It is not beyond possibility that some repercussion of this policy may be felt before the final payment of the mortgages. The many ramifications of the building industry, however, will probably maintain much of the industry's vitality as a whole for some years to come, especially if the manufacturing industries accelerate their present movement for the provision of improved accommodation.

#### IRON AND STEEL

The heavy demand for pig iron has continued unabated, and difficulty is still being experienced in meeting the needs of consumers. The situation in semi-finished steel has become easier as a result of larger home production and importation from the Continent. Deliveries of finished steel have been heavy and some large new orders have been placed. The output of pig iron decreased to 644,100 tons in June as compared with 661,000 tons in the previous month, but was much higher than the figure of 529,300 tons in June, 1935. The production of steel ingots and castings declined from 984,200 tons in April to 963,000 tons in May, but increased to 965,900 tons in June and was much in excess of the total of 770,000 tons in June, 1935.

#### ENGINEERING TRADES

The demand for the products of the engineering industry continues to expand—in fact, the industry is in much the same position as the iron and steel industry in that it has been, in some aspects, unable to meet the marked increase in home requirements. Imports have consequently expanded and the improvement in exports of machinery has been somewhat arrested. The pressure for higher wages has brought nearly a million workers an increase of 3s. a week, but agitation for other increases is likely to continue.

#### SHIPBUILDING

There has been a revival in shipbuilding, long a depressed industry, and more slips are occupied than for many years past. The statistics issued by Lloyd's Register of Shipping of the position on June 30 show a total of 848,732 tons of merchant vessels under construction in Great Britain and Ireland. This figure represents a small increase over the previous quarter but exceeds by 288,411 tons, or nearly 50 per cent, the tonnage being built at the end of June, 1935, and is the highest quarterly total recorded since December, 1930. It exceeds the aggregate tonnage now under construction in the four leading countries abroad. The total world tonnage under construction is 1,951,005 (excluding Russia), of which 43.5 per cent is being built in Great Britain and Ireland. Only 7.6 per cent of the total in the British Isles is for sale or registra-

tion abroad, while 35·7 per cent of the total being built abroad is intended for registration elsewhere than in the country of building.

### TEXTILES

Taken as a whole, the position of the cotton industry appears to be less gloomy than it was. There has been a rather firmer tone in the market for both cotton cloth and yarn, and a somewhat larger volume of inquiries from overseas. The slackening of activity in the spinning section in May was of less than normal seasonal dimensions; consumption of raw cotton was substantially in excess of last year's figure. Exports of yarns were improved, but piece-goods fell off, especially to India.

Woollens were rather quiet due largely to seasonal causes; the prices of raw wool tended to sag. Business, however, remained substantially better than a year ago and exports strengthened. Manufacturers are anticipating a good fall season.

Business in artificial silk, both yarns and piece-goods, has been fairly satisfactory. The general outlook is more promising and export business has improved. The depression in the jute industry continues; the market has been dull and home sales of piece-goods have been affected by heavy imports from India.

### AGRICULTURE

Fall sowings suffered from the heavy rains of last winter, although losses were somewhat mitigated by the liberal use of spring fertilizers. The grain crops suffered more particularly. The index (based on healthy state, freedom from injury, and average growth and development) of wheat production in 1936 is given as 84·4 compared with the ten-year average of 91 and 92 in 1935; the index of oats is 85·5 in 1936 compared with the average of 88·1 and the 1935 figure of 90·2. Barley, however, at 88·8, while lower than the 1935 number of 90·1, is higher than the ten-year average of 86·6. Root crops show more cheerful prospects: potatoes, 92·7 in 1936 as compared with 89·3 during the previous ten years and 87·5 in 1935; sugar beet, 91·9 compared with the average of 88·5 and 91·5 in 1935; while other roots are rated at 90·9 compared with 83·3 average and 88·5 in 1935. Hay crops are light and it is estimated that, owing to rains during the harvest, not more than 40 per cent of the cut can be considered good; grass, however, is plentiful.

### PROPOSED DUTY ON IMPORTED MEATS

The Ministry of Agriculture recently announced that "Parliament will be invited, immediately after the summer recess, to pass legislation providing for the collection of customs duties on imports of chilled, frozen and other descriptions of beef and veal from foreign countries. . . . It is not proposed . . . that there should be duties on imports of beef from Empire countries or on imports of mutton and lamb from any country." Details of this plan will be the subject of a separate report but it may be noted here that the duty is expected to be about three farthings ( $1\frac{1}{2}$  cents Canadian) per pound weight and will be allotted to a fund not to exceed £5,000,000 annually for assistance to the domestic live stock industry.

### MONEY AND FOREIGN EXCHANGE

Cheap money continues. Stringency during May and June was due to the influx of French money and to the offsetting gold purchases and Treasury bill sales of the Exchange Equalization Account. The absorption of more deposits and the taking up of more bills by the banks at a time when currency was being

withdrawn and hoarded naturally made money more costly. Gold purchases by the Bank of England eased the pressure at once, thus indicating that the situation was due entirely to the special circumstances of foreign exchange and not to any fundamental change in conditions.

The Canadian dollar continues three to four per cent below par of exchange with the pound sterling.

### NEW CAPITAL

There has been no diminution in offerings of capital. The total of about £109 millions for the first half of the year was considerably higher than a year ago (£86 millions) and well above any other half-year's total since 1930. The increase is found mainly in the home transportation issues. The strikingly high level of activity attained for home purposes, not unassociated with the general complexion of most activities, is illustrated by the following analysis of new capital issued in the first six months of each of the past four years: the totals for each half-year in millions of pounds sterling were, 1933, 69; 1934, 69; 1935, 86; and 1936, 109; while the respective percentages of home issues were, 1933, 83·3; 1934, 68·2; 1935, 89·5; and 1936, 91·5; and for foreign purposes the percentages were 3·3, 1·6, 2·8, and 0·7. In short, the only shrinkage of importance has fallen entirely on foreign overseas issues which are now subject to regulation in view of the altered position of the country's balance of current payments and receipts.

### EXPANDING HOME MARKETS

The tenor of this summary of conditions has been the improvement of home outlets and interests, and it is fitting that this interesting feature of developments be discussed. It has been noted that industrial activity is running at a fairly high level even though exportation is still languishing; the former was over 13 per cent higher in 1935 than in 1930, while the latter was nearly 9 per cent lower in volume and full 25 per cent less in value.

In the aggregate, and speaking only in the broadest sense, expansion in the home market has largely or entirely compensated, though not actually replaced, the contraction in the export markets. The fall in exports in recent years was most severe in the basic industries and these have not generally gained commensurately at home. While falling prices account for the all-round decline in the value of exports, severe shrinkages in volume are restricted to a comparatively narrow though very important range of trades, notably cotton and coal, but also iron and steel, machinery, shipbuilding, pottery, and clothing.

The expansion of the home market is predominantly accounted for by the increased activity in the building trades and in the trades supplying sub-necessary articles—that is, those which rank as comforts rather than absolute necessities. According to an index of production prepared by the Board of Trade, building showed an increase of nearly 50 per cent in 1935 as compared with 1930, while public utilities industries ranked third with an increase of over 32 per cent; the non-ferrous metals group showed the second greatest increase, over 37 per cent. It is significant that the first two mentioned cater solely to the home demand, and the acceleration of the non-ferrous metals industries is associated to a large degree with that of the other two. This development surely reflects a rising standard of living, an opinion substantiated by the large expansion of demand for commodities such as automobiles, sales of which, interestingly enough, almost exactly parallel the expansion of sales of houses.

From the point of view of employment also, the most rapid advance since 1929 has been made in those trades which find their chief markets at home, particularly electrical equipment, bricks, tiles and pipes, and motors, cycles and aircraft. Partly in response to trade recovery and particularly because

of rearmament expenditures, recent economic development has brought, opportunistically, a widened demand for engineering products. Iron and steel is probably the only great exporting industry which has derived sufficient benefit from domestic trade to counterbalance lost export trade.

It is to be hoped that there will be general realization of the fact that industries and trades must frequently play differing and varying parts in any revival of overseas trade which may occur despite existing strong economic nationalism; the question of the transfer of workers from waning industry to waxing must remain a vital problem.

### OVERSEAS TRADE

At the end of June the United Kingdom's external trade displayed the same tendencies that have been apparent since the beginning of the year—that is to say, imports are definitely above last year's figures, and the re-export trade is noticeably more active, but exports of United Kingdom goods are almost stationary. This trend suggests that the rise in domestic price level has rendered it possible for overseas manufacturers and producers to adjust themselves to the conditions to the extent that they are now able to overcome the obstacles to competition interposed by tariffs and the depreciation of sterling.

The comparative dullness in export trade may also be partly attributed to the preoccupation of United Kingdom manufacturers with filling orders arising from Government assistance to housing developments and to armaments expenditures. In other words, activity in these directions has lessened interest in export opportunities.

The following tabulation gives the total value of Britain's overseas commerce by imports, exports and re-exports during the first six months of the year, and shows the increases registered in every branch in comparison with the same period in 1935:—

	Six Months ended June		Value	Increase Per Cent
	1936	1935		
Imports.. . . . .	£402,801,348	£359,371,314	£43,430,034	+ 12.0
Exports .. . . . .	207,890,449	206,475,191	1,415,258	+ 0.5
Re-exports .. . . . .	32,406,959	28,843,774	3,563,185	+ 12.3
Total exports .. . . . .	240,297,408	235,318,965	4,978,443	+ 2.1

The rising level of imports has caused a growth in the visible adverse balance of trade from £124,052,000 in the January-June period, 1935, to £162,504,000 in the period under review. There is no cause for disquiet at this growth, because buoyancy of import trade is, up to a point, a favourable feature. Mr. Walter Runciman, President of the Board of Trade, in a statement made in the House of Commons on this subject, said that the country "could afford the additional imports which were coming in." Taking into account invisible earnings in the shape of income from overseas investments, shipping services, etc., it is his view that there is no reason to anticipate any serious debit balance of payments this year. He referred to the fact that during the last three years twenty-four bi-lateral agreements with foreign countries have been concluded.

Commenting on the results of this policy, he reported that during the twelve months ended March, 1936, Britain's total exports were £68,000,000 more than in 1932, and that no less than £55,500,000 of this increase was attributable to greater exports to British countries subscribing to the Ottawa Agreements, and to foreign countries with which trade agreements are in force. He further stated that the payments arrangements entered into with certain foreign countries had resulted in the collection of £12,000,000 of outstanding debts.

Mr. Runciman explained the trade policy of the Government in the following words:—

The British import market, which is by far the largest import market in the world, has been kept open for the goods of all nations on fair and equal terms all through these difficult years. The control of this market for the purpose of buying from those who buy from us is a temptation to those who believe that clearings really provide the foundation of a system of balanced trade. Upon certain countries and for a certain period we could, no doubt, force a greater quantity of United Kingdom goods, but we do not believe that a policy of force in this region would prosper for long. It would lead to the impoverishment of our customers and of third parties in whose prosperity we are interested, and eventually to a fall in our own trade. We have, therefore, used the power of our huge import market with great caution to promote the sales of our goods abroad, rather than to compel artificially enhanced purchases. This has been the policy of the Ottawa Agreements and of our trade agreements, and it is the policy which we shall continue to follow.

### IMPORTS

The increase in imports was almost equally divided as between "Food, Drink, and Tobacco," "Raw Materials" and "Wholly Manufactured Goods," and while it is partly due to higher prices, generally speaking greater quantities of merchandise are being purchased from abroad. The substantial advance in imports of foodstuffs from £166,299,409 to £179,485,873 during the six months just concluded is a particularly encouraging sign, because it reflects domestic recovery and a greater purchasing power.

Grain and flour imports, which went up by 17·5 per cent to £30,330,532 in the six months, and dairy products, which increased by 14 per cent to £31,399,444, derived the most benefit from this development. The only food division which declined was meat.

Raw materials increased by £16,651,503, the 1936 total being £119,944,064. Arrivals of iron ore and scrap, at £4,555,406, were 85 per cent higher than last year; of raw wool (£27,988,744), 24·4 per cent greater; and of raw cotton (£20,999,051), 27 per cent greater.

In wholly manufactured goods, which reached £100,920,471 as compared with £88,124,844 last year, the expansion was common to practically all branches. Notable activity was apparent in non-ferrous metals, which, valued at £15,275,694, improved by 20 per cent; iron and steel manufactures (£5,700,224), which increased by 33½ per cent; and machinery (£8,784,406), by 36 per cent as compared with the corresponding period in 1935.

### EXPORTS

As already stated, exports of United Kingdom goods have been comparatively lifeless during the period under review, and the imposition of Sanctions is stated to have reduced British exports to Italy by £4,000,000 as compared with the first six months of 1935.

In the category of food, sales totalled £15,986,383, or an advance of £1,996,593 compared with the first half of 1935. Larger shipments of beverages and cocoa preparations, which showed an increment of £1,623,199, were almost entirely responsible for this growth.

Raw materials fell by £2,064,860 to £24,259,314. Of this decline, £1,678,664 was represented by a shrinkage in coal exports.

Exports of manufactured goods rose by £1,292,439 to £161,912,938. Last year's trade was maintained, and no changes of any importance took place. A summary of trade by main groups is appended:—

TABLE OF IMPORTS, EXPORTS AND RE-EXPORTS ACCORDING TO THE BOARD OF TRADE CLASSIFICATION, DURING THE SIX MONTHS ENDED JUNE 30, 1934, 1935 AND 1936

(a) Imports

	Six Months ended June 30		
	1934	1935	1936
Food, drink and tobacco.. . . .	£167,328,984	£166,299,409	£179,485,873
Raw materials and articles mainly unmanufactured..	108,720,266	103,292,561	119,944,064
Articles wholly or mainly manufactured . . . . .	84,230,566	88,124,844	100,920,471
Animals, not for food.. . . .	563,821	733,583	863,909
Parcel post.. . . .	1,342,729	920,917	1,587,031
Total.. . . .	£362,186,366	£359,371,314	£402,801,348

(b) Exports of Produce and Manufactures of the United Kingdom

	Six Months ended June 30		
	1934	1935	1936
Food, drink and tobacco.. . . .	£ 14,576,964	£ 13,989,790	£ 15,986,383
Raw materials and articles mainly unmanufactured..	24,111,312	26,324,174	24,259,314
Articles wholly or mainly manufactured . . . . .	145,680,202	160,620,499	161,912,938
Animals, not for food.. . . .	279,896	250,984	435,707
Parcel post . . . . .	5,055,411	5,289,744	5,296,107
Total . . . . .	£189,703,785	£206,475,191	£207,890,449

(c) Re-exports of Imported Merchandise

	Six Months ended June 30		
	1934	1935	1936
Food, drink and tobacco.. . . .	£ 6,497,497	£ 6,293,449	£ 5,711,157
Raw materials and articles mainly unmanufactured..	16,759,138	16,610,853	17,952,578
Articles wholly or mainly manufactured.. . . .	5,648,110	5,785,376	8,614,484
Animals, not for food.. . . .	111,465	154,096	128,740
Total.. . . .	£ 29,016,210	£ 28,843,774	£ 32,406,959

IMPORTS FROM CANADA

As the monthly returns issued by the Board of Trade make reference to the main imports and exports in some detail, an idea can be formed of the extent to which Canada has availed herself of the better opportunities for trade which have arisen in the United Kingdom market during the last six months.

*Wheat.*—A perusal of this item will show that the sharp upward movement since the beginning of the year in Canadian shipments of wheat to the United Kingdom has been fully maintained. For the six months imports from the Dominion amounted to 27,147,938 cwts., a percentage increase, as compared with last year, of 67. Total deliveries (49,999,301 cwts.), were on practically the same level. Argentina supplied only 643,297 cwts. against 14,702,776 cwts. last year.

*Barley.*—The barley import trade has shown greater activity, and Canada's share grew in sympathy from 561,194 cwts. to 897,800 cwts.

*Oats.*—In oats, on the other hand, Canada, which for two years has been the only supplier of importance, met with a reduction in demand, and her consignments fell from 1,453,936 cwts. in the first half of 1935, to 834,880 cwts. These, however, represented practically the entire imports.

*Rolled Oats.*—Some compensation for this loss developed in rolled oats, Canadian sales of which, at 216,826 cwts., were 66 per cent higher than in the 1935 period.

*Flour.*—There was a slight rise in the consumption of imported flour, and receipts from Canada increased to 1,994,348 cwts. This was the largest quantity brought in from any single country.

*Cattle.*—The number of cattle brought in from the Dominion in the first half of the year (13,055 head) was more than double that of a year ago.

*Bacon.*—In bacon, however, a general, if slight, shrinkage in consumption has become evident, due to the influence of higher prices. Aggregate imports were 255,350 cwts. less, at 3,225,687 cwts., and Canada was credited with 488,178 cwts., a decline of 47,740 cwts.

*Cheese.*—A very much better showing was made in cheese, the Dominion furnishing 74,426 cwts., or more than three times the quantity supplied in the first half of 1935.

*Canned Salmon.*—Due mainly to a severe contraction in imports from the United States, Canada obtained considerably more orders for canned salmon. Total deliveries in the six months were 219,578 cwts., a drop of 167,329 cwts. Canada contributed 66,652 cwts., or 66 per cent more than last year.

*Lard.*—The situation in lard continues to be favourable. Canada's contribution to the total requirements of 806,305 cwts. was 125,493 cwts., more than double the volume of business secured in the first half of 1935.

*Tobacco.*—Great Britain's purchases of leaf tobacco are reviving, after the setback of 1935, and in the principal classification, "unstripped," the quantity attributed to the Dominion advanced from 5,553,960 pounds to 6,729,834 pounds.

*Wood and Timber.*—Importations of timber have remained steady, and Canada sent a slightly larger quantity of softwoods. It will be noted that quantities of softwoods are now shown in standards instead of in loads.

*Metals.*—Among metals, the amount of aluminium ingots, etc., entered from the Dominion fell by about 50 per cent to 62,461 cwts., and there was a slight decline, to 44,055 tons, in lead. An advance from 26,879 tons to 43,841 tons was recorded in copper (unwrought), and from 48,222 tons to 50,812 tons in zinc.

*Manufactures of Wood.*—The outlet in this country for manufactures of wood is now being exploited by Canadian manufacturers to an extent greater than in recent years. Imports, which are entered by value only, reached a value of £590,768 during the six months under review. This compared with £280,709 in the corresponding period of 1935. Only one country, Finland, exceeded Canada's total.

*Rubber Footwear.*—Wet weather stimulated the demand for rubber boots, and imports went up from 19,076 dozen pairs to 47,049 dozen pairs, of which Canada contributed 46,009 dozen pairs. There was also an increase, although to a lesser degree, in tennis shoes, etc., which are classified as "rubber shoes not made to cover the ankle." Hongkong continues to widen her trade, and is the largest individual supplier. At the same time, Canada sold 39,053 dozen pairs more than in the first six months of 1935. Total imports during the first half of 1936 amounted to 447,720 dozen pairs.

*Leather.*—In the box and willow calf section there was a diminution in total purchases of some 8,000 cwts. Due, however, to a severe drop in German shipments, Canada increased her share of the imports from 3,213 cwts. to 5,070 cwts. In patent leather also there was a marked drop in the demand, total deliveries in the six months (6,336 cwts.) being about one-third less than in the previous year. Canada suffered a loss of trade amounting to 1,518 cwts. Nevertheless the Dominion, with 4,770 cwts., dominated the trade.

*Newsprint.*—In spite of the growing production of newsprint in the United Kingdom, imports expanded by some 27 per cent to 3,606,602 cwts. Canada's proportion of the business rose from 783,788 cwts. in the January-to-June period of 1935, to 1,114,250 cwts. in the period under review.

*Paper and Boards.*—In conformity with a reduction of 8 per cent in the receipts from all sources of paper boards, imports from the Dominion fell from 263,769 cwts. to 214,845 cwts.

## IMPORTS OF CERTAIN AGRICULTURAL PRODUCTS AND RAW MATERIALS, ETC., INTO THE UNITED KINGDOM DURING THE SIX MONTHS ENDED JUNE 30, 1935 AND 1936

	1935		1936	
	Quantity Cwts.	Value £	Quantity Cwts.	Value £
Wheat—				
Total imports.. . . . .	49,542,858	14,183,380	49,999,301	17,141,901
Canada.. . . . .	16,214,262	5,717,662	27,147,938	9,539,562
Australia.. . . . .	9,221,482	2,636,066	14,874,454	5,234,320
Argentina.. . . . .	14,702,776	3,737,392	643,297	213,055
Soviet Union.. . . . .	.....	.....	167,306	55,771
Barley—				
Total imports.. . . . .	4,521,148	1,294,137	6,982,038	1,754,950
Canada.. . . . .	561,194	165,567	897,800	230,373
Soviet Union.. . . . .	142,656	35,256	1,479,950	305,544
Roumania.. . . . .	101,341	36,906	.....	.....
United States.. . . . .	394,415	170,917	1,406,013	468,286
Australia.. . . . .	146,014	47,176	419,389	121,531
Oats—				
Total imports.. . . . .	1,654,377	521,720	853,483	216,025
Canada.. . . . .	1,453,936	454,269	834,880	210,024
Wheat meal and flour—				
Total imports.. . . . .	3,750,037	1,449,793	4,431,810	1,932,688
Canada.. . . . .	1,946,346	913,258	1,994,348	1,012,657
Australia.. . . . .	773,287	268,361	1,299,602	532,876
United States.. . . . .	43,020	23,828	34,648	21,685
France.. . . . .	577,205	152,696	457,408	156,863
Oat products (other than oatmeal)—				
Total imports.. . . . .	131,730	150,323	217,174	242,731
Canada.. . . . .	130,697	149,458	216,826	242,478
Bacon—				
Total imports.. . . . .	3,481,037	13,752,230	3,225,687	13,077,885
Canada.. . . . .	535,918	2,023,761	488,178	1,868,492
Denmark.. . . . .	1,887,972	7,876,390	1,715,726	7,410,559
Netherlands.. . . . .	251,162	1,027,098	243,088	998,195
Irish Free State.. . . . .	199,462	597,891	219,470	658,177
Poland.. . . . .	210,534	783,107	204,283	786,295
Hams—				
Total imports.. . . . .	345,864	1,511,853	322,147	1,420,431
Canada.. . . . .	104,819	474,971	131,806	588,344
United States.. . . . .	213,608	932,217	158,336	710,766
Cattle—	Number		Number	
Total imports.. . . . .	267,682	2,025,031	323,778	2,601,075
Canada.. . . . .	6,124	99,971	13,055	221,234
Irish Free State.. . . . .	261,558	1,925,060	310,723	2,379,841
Cheese—	Cwts.		Cwts.	
Total imports.. . . . .	1,408,749	3,233,372	1,312,054	3,529,745
Canada.. . . . .	22,127	66,536	74,426	213,056
New Zealand.. . . . .	1,106,297	2,506,551	1,031,987	2,761,373
Apples, raw—				
Total imports.. . . . .	3,320,284	3,518,864	3,738,890	3,928,755
Canada.. . . . .	900,867	665,410	872,800	767,459
United States.. . . . .	780,790	911,657	981,351	944,902
Australia.. . . . .	1,275,722	1,473,218	1,464,128	1,675,295
Pears, raw—				
Total imports.. . . . .	551,010	753,557	619,096	766,375
Canada.. . . . .	64	50	3,202	4,001
United States.. . . . .	64,394	92,871	81,638	95,774
Australia.. . . . .	213,060	286,628	224,020	294,203
Fish, fresh or frozen (not of British taking)—				
Total imports.. . . . .	1,314,677	1,473,359	1,100,761	1,432,766
Canada.. . . . .	45,167	148,400	44,283	153,989
Norway.. . . . .	622,556	410,876	528,084	403,877
Denmark.. . . . .	163,415	297,574	138,379	262,298
Irish Free State.. . . . .	28,038	204,941	29,240	202,133
Canned salmon—				
Total imports.. . . . .	386,907	1,262,131	219,578	827,088
Canada.. . . . .	40,254	170,580	66,652	297,976
Soviet Union.. . . . .	87,650	219,144	811	2,506
United States.. . . . .	203,658	672,941	96,231	390,682
Canned lobster—				
Total imports.. . . . .	11,412	145,235	6,675	92,305
Canada.. . . . .	9,753	132,339	5,679	81,686

## IMPORTS OF CERTAIN AGRICULTURAL PRODUCTS AND RAW MATERIALS, ETC., INTO THE UNITED KINGDOM DURING THE SIX MONTHS ENDED JUNE 30, 1935 AND 1936

	1935		1936	
	Quantity Lbs.	Value £	Quantity Lbs.	Value £
Tobacco, unmanufactured, if stripped—				
Total imports.. . . .	14,715,802	1,307,802	10,282,917	530,123
Canada.. . . .	430,754	28,903	571,532	37,458
Nyasaland.. . . .	100,225	4,018	310,285	13,787
Southern Rhodesia.. . . .	379,796	15,935	161,177	6,598
British India.. . . .	2,228,414	82,220	5,294,920	183,256
United States.. . . .	11,382,842	1,162,761	3,547,577	269,876
Tobacco, unmanufactured, if unstripped—				
Total imports.. . . .	51,108,996	3,481,109	84,873,383	5,158,570
Canada.. . . .	5,553,960	371,350	6,729,834	419,419
Nyasaland.. . . .	159,612	6,275	534,760	22,908
Southern Rhodesia.. . . .	3,122,525	106,500	1,006,114	47,225
British India.. . . .	1,703,701	66,599	375,274	16,218
United States.. . . .	38,596,377	2,800,017	72,553,186	4,433,596
Copper ore—				
	Tons		Tons	
Total imports.. . . .	14,027	308,793	17,513	399,797
Canada.. . . .	8,723	247,800	9,732	292,650
Spain.. . . .	1,429	29,332	2,023	50,571
Copper, electrolytic, unwrought—				
Total imports.. . . .	72,163	2,334,387	72,637	2,925,409
Canada.. . . .	26,879	884,161	43,841	1,758,357
United States.. . . .	28,130	893,721	9,776	396,238
Australia.. . . .	902	32,237	1,651	65,716
Pig lead—				
Total imports.. . . .	173,783	2,050,662	176,610	2,874,807
Canada.. . . .	47,292	556,122	44,055	723,705
Australia.. . . .	92,028	1,088,458	100,177	1,633,712
Zinc, crude—				
Total imports.. . . .	79,076	1,080,492	80,162	1,291,621
Canada.. . . .	48,222	661,412	50,812	815,746
Australia.. . . .	5,975	86,838	11,978	193,012
Leather, dressed box and willow calf—				
	Cwts.		Cwts.	
Total imports.. . . .	31,991	1,031,823	23,900	851,504
Canada.. . . .	3,213	127,070	5,070	242,973
Germany.. . . .	15,092	483,704	5,777	206,177
Netherlands.. . . .	3,093	102,463	2,414	97,550
Hungary.. . . .	3,401	104,823	3,223	105,846
Patent, varnished, japanned and enamelled—				
Total imports.. . . .	9,705	251,952	6,336	168,972
Canada.. . . .	6,288	170,682	4,770	124,963
United States.. . . .	2,458	58,955	680	20,316
Germany.. . . .	520	12,964	256	8,745
Rubber boots and shoes—				
	Doz. prs.		Doz. prs.	
Total imports.. . . .	19,076	57,767	47,049	124,541
Canada.. . . .	16,023	49,206	46,003	121,040
(If not made to cover the ankle.)				
Total imports.. . . .	327,275	293,016	447,720	361,154
Canada.. . . .	133,844	152,905	172,897	188,510
Hongkong.. . . .	174,195	117,508	236,807	135,674
Newsprint in rolls—				
	Cwts.		Cwts.	
Total imports.. . . .	2,842,823	1,309,715	3,606,602	1,645,308
Canada.. . . .	783,788	354,948	1,114,250	509,019
Newfoundland.. . . .	982,691	501,240	1,389,924	683,208
Finland.. . . .	690,101	285,251	714,931	295,599
Sweden.. . . .	99,504	44,668	197,741	76,561
Norway.. . . .	272,389	118,927	184,771	78,646
Cardboard and millboard (other than wallboards)—				
Total imports.. . . .	1,394,112	952,337	1,282,115	887,627
Canada.. . . .	263,769	174,362	214,845	147,251
Finland.. . . .	312,897	161,107	311,754	160,936
Sweden.. . . .	305,662	212,760	281,145	203,961
Norway.. . . .	126,139	90,618	130,529	90,915
Germany.. . . .	307,892	241,282	253,647	201,385
United States.. . . .	7,575	16,453	6,133	19,235

# IMPORTS OF CERTAIN AGRICULTURAL PRODUCTS AND RAW MATERIALS, ETC., INTO THE UNITED KINGDOM DURING THE SIX MONTHS ENDED JUNE 30, 1935 AND 1936

	1935		1936	
	Quantity Loads	Value £	Quantity Loads	Value £
Wood and timber, sawn, hard, not planed or dressed—				
Total imports.. . . .	8,953	1,190,444	9,444	1,270,552
Canada.. . . .	2,915	269,867	2,261	220,531
United States.. . . .	2,945	464,437	2,902	447,614
Poland.. . . .	787	91,361	869	104,606
Wood and timber, sawn, soft, not planed or dressed—				
Total imports.. . . .	1,555,358	5,151,200	567,161	6,168,214
Canada.. . . .	322,449	1,124,282	114,545	1,427,966
Soviet Union.. . . .	269,678	930,016	60,516	655,605
Finland.. . . .	337,515	978,849	136,574	1,305,941
Sweden.. . . .	204,327	623,434	95,235	903,531
Poland.. . . .	159,461	476,195	94,277	878,764
United States.. . . .	66,385	453,910	25,231	590,501
Wooden railway sleepers of all kinds <sup>1</sup> —				
Total imports.. . . .	80,843	256,014	26,407	278,153
Canada.. . . .	12,379	36,253	3,798	40,771
Soviet Union.. . . .	23,505	60,690	6,564	56,375
Latvia.. . . .	15,584	53,553	4,297	48,516
Poland.. . . .	28,143	100,940	10,253	116,251
<sup>1</sup> These were included in sawn, soft timber, not planed or dressed, prior to 1936.				
Pulp of wood, mechanical, wet—	Tons		Tons	
Total imports.. . . .	552,119	1,238,768	600,439	1,317,772
Canada.. . . .	10,405	30,147	6,638	15,407
Sweden.. . . .	150,540	341,434	153,489	346,861
Finland.. . . .	190,420	411,824	234,147	498,727
Norway.. . . .	197,231	447,960	197,400	439,272
Aluminium and aluminium alloys—	Cwts.		Cwts.	
Total imports.. . . .	151,168	649,839	113,714	517,559
Canada.. . . .	126,644	544,768	62,461	290,119
Switzerland.. . . .	23,176	99,244	38,985	173,677
Norway.. . . .	895	4,173	12,097	52,903

## BRITISH EXPORTS TO CANADA

Figures have been extracted from the report upon which this review is based and are reproduced below, giving, as far as possible, particulars of the total exports and the exports to Canada of staple United Kingdom products. These returns show that United Kingdom firms are fully holding their own in the Canadian market. In the majority of lines Canada has been buying more United Kingdom merchandise than at the same time last year.

	1935		1936	
	Quantity Tons	Value £	Quantity Tons	Value £
Coal—				
Total exports.. . . .	19,006,188	15,308,469	16,274,921	13,629,805
Canada.. . . .	624,944	722,079	595,149	778,466
Pottery, Glass, Abrasives, etc.	Cwts.		Cwts.	
Total exports.. . . .	.....	3,935,223	.....	4,049,688
Canada.. . . .	.....	404,011	.....	462,039
Iron and Steel and Manufactures thereof—	Tons		Tons	
Total exports.. . . .	1,122,164	17,446,000	1,050,864	17,051,124
Canada.. . . .	69,517	1,257,141	67,618	1,266,243
Non-ferrous Metals and Manufactures thereof—				
Total exports.. . . .	.....	6,831,700	.....	6,150,712
Canada.. . . .	.....	173,073	.....	180,813
Cutlery, Hardware, Implements and Instruments—				
Total exports.. . . .	.....	3,865,504	.....	3,828,717
Canada.. . . .	.....	167,620	.....	167,662
Machinery—				
Total exports.. . . .	190,975	19,331,153	186,474	19,900,126
Canada.. . . .	2,675	389,229	3,514	471,371
Woollen and Worsted Yarns and Manufactures—				
Total exports.. . . .	.....	14,617,335	.....	15,310,740
Canada.. . . .	.....	1,473,792	.....	1,867,953

	1935 Quantity 1,000 Sq. Yds.	Value £	1935 Quantity 1,000 Sq. Yds.	Value £
Cotton Manufactures (except Apparel and Embroidery)—				
Total exports .. . . .	1,000,989	20,033,955	926,128	19,155,042
Canada .. . . .	32,363	648,629	34,969	616,165
Silk Yarns and Manufactures—				
Total Exports .. . . .		529,202		597,189
Canada .. . . .		20,570		22,469
Manufactures of other Textile Materials—				
Total exports .. . . .		7,819,015		8,306,198
Canada .. . . .		766,857		905,236
Apparel—				
Total exports .. . . .		5,123,138		5,523,418
Canada .. . . .		181,817		244,919
Chemicals, Drugs, Dyes and Colours—				
Total exports .. . . .		10,515,402		10,273,039
Canada .. . . .		535,819		518,303
Leather and Manufactures thereof—				
Total exports .. . . .		1,817,628		2,016,129
Canada .. . . .		113,562		125,321
Paper, Cardboard, etc.—				
Total exports .. . . .		3,163,542		3,113,272
Canada .. . . .		106,507		116,618
Vehicles (including Locomotives, Ships and Aircraft)—				
Total exports .. . . .		15,005,056		14,922,749
Canada .. . . .		174,224		210,448
Miscellaneous Articles, wholly or mainly manufactured—				
Total exports .. . . .		10,848,108		11,546,134
Canada .. . . .		515,621		496,720

## NEW FRUIT JUICE INDUSTRY IN THE WEST OF ENGLAND

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, July 17, 1936.—The increasing popularity of "milk bars," originally opened in London and now spreading throughout the Provinces, has focussed attention on the utilization of local soft fruits in the preparation of juices and syrups for flavouring purposes.

### RESEARCH

For the past four years intensive research work has been carried out towards this end at the Agricultural and Horticultural Research Station of the University of Bristol. The result of this investigation has been the production of a group of products such as fruit juices, syrups, squashes, wines, and liqueurs. In view of the use of these fresh fruit juices in the making of milk drinks, the University research authorities have had the close co-operation of the Milk Marketing Board.

### COMMERCIAL PRODUCTION

Making use of the results of the laboratory experiments, a Bristol firm have just equipped a factory for the first commercial production in this country of fruit syrups prepared from English-grown fresh strawberries, raspberries, loganberries, and blackcurrants. A licence to use the National Mark for all these fruit syrups has been obtained—a step which will ensure a standard of quality fulfilling the requirements of the National Mark Committee of the Ministry of Agriculture (see *Commercial Intelligence Journal* 1627, April 6, 1935).

No cooking is required, and sugar is the only ingredient added to the pure fruit during the entire process of production. The fruit is milled to a fine pulp by means of a grater type of mill, and the pulp is received in slate settling tanks from which the juice is allowed to run through press cloths into collecting tanks. The pulp is then subjected to a pressure of 2,000 pounds to the square

inch, and the juice so obtained is run into the same tanks. Solid material in the juice is removed by its passage through a centrifuge, and the cleared juice is then mixed with a large quantity of sugar to obtain a syrup in which the sugar acts as a preservative and is an effective means of retaining the fresh fruit flavour. The syrup is then filtered to a brilliant colour through a large plate and frame filter, and the finished product is bottled by a vacuum filling machine.

#### MARKET

In addition to their use in the making of milk shakes, these fresh fruit syrups can be used in the home in many ways in place of flavouring extracts, adding as they do the natural fresh fruit flavour.

Although at the present time the entire demand is met by the Bristol firm, it is evident that with the increasing number of "milk bars" being opened throughout the country, other manufacturers will take advantage of the opportunities in this new field. This should result in an increased consumption of milk and a utilization of surplus supplies of locally grown soft fruits when they are in season.

### INDIAN VEGETABLE OIL INDUSTRY

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

(One rupee equals 1s. 6d.)

Calcutta, June 24, 1936.—The importance of the Indian vegetable oil industry will be understood when it is realized that India is the largest producer of oil-bearing vegetable crops in the world. At the same time exports of oil seeds during recent years have shown a progressively steady decline as the following table clearly shows:—

	1933-34 Rs.	1934-35 Rs.	1935-36 Rs.
Castor . . . . .	9,953,000	8,108,000	8,315,000
Groundnuts . . . . .	66,311,000	59,284,000	66,510,000
Linseed . . . . .	45,751,000	29,976,000	21,920,000
Mustard . . . . .	529,000	490,000	407,000
Rape . . . . .	8,143,000	4,239,000	2,579,000
Sesamum . . . . .	2,219,000	753,000	270,000
Total plus unspecified . . . .	136,615,000	105,410,000	103,163,000

The above figures relate only to the last three fiscal years, but in the statistics for earlier years the declining trend of exports was even more marked. In the period 1925-26 the total value of oil seed exports amounted to Rs.331,700,000, and just before the beginning of the world depression in 1928-29 dropped to Rs.296,200,000, and has now shrunk to Rs.103,200,000. This decrease of approximately 70 per cent in exports is naturally a matter of grave concern to those interested in the production of these commodities.

#### RESEARCH WORK

The Industrial Research Council of India has given, and is still continuing to give, a considerable amount of attention to the examination of the character of oils expressed from different species of linseed, the best methods of preparing paint oils, boiled linseed oil, and the development of rancidity in oil.

There are many difficulties presented, but it is the opinion of experts that if India's vast resources of vegetable oil could be properly developed and exploited, she would not only be able to supply her own requirements but be in a position to greatly increase her exportable surplus.

With a view to developing the oil industry, special attention has been directed to soap manufacturing, particularly in the selection of soap stocks, the mixture of fats used in the making thereof, and the cause and cure of certain defects such as rancidity and sweating and the cleaning properties of the product itself. With the great supplies of oil-bearing vegetation which exist

in India there should be, it is considered, no reason why a modern soap manufacturing industry should not be built up in the country that would absorb the wealth of raw material, thus supplying the country's needs in good home-made soap and exporting to the rest of the world at reasonable prices the finer grades.

However, in order to obtain these results, much remains to be done. One of the problems in the manufacturing of soap from vegetable oils which so far appears to have presented difficulties to the average Indian soap-maker is the disposal of the sludge, which many factories do not make use of and sometimes even find great difficulty in disposal. It is believed that if scientifically treated it would yield valuable by-products or perhaps be utilized for fodder or manure.

#### IMPORTS OF SOAP

Imports of soap into India during the fiscal year ended March 31, 1936, were valued at Rs.3,427,000; in 1934-35 they were Rs.6,321,000, and in 1933-34, Rs.7,837,000. It will be observed that there has been a gradual decrease in imports, undoubtedly due to the growth and expansion of the home industry; but while the majority of Indian soap factories are at present using vegetable oils of local origin, there are some using imported fat for the making of superior toilet soaps, and others fish oil for inferior kinds of washing soaps, so that the Indian soap industry in itself cannot be counted upon to solve the vegetable-oil-industry problem.

Up to the present time the Indian Research Council has spent much effort in investigating the properties, qualities and possible uses of the lesser-known oils, perhaps to the neglect of the major ones. It is now felt, however, that greater attention must be paid to the development of uses of the latter such as linseed, mustard, castor, sesamum, groundnut, mohua, coconut and cotton seed. Although India is capable of producing essential oils in sufficient quantities both for her own purposes and for export, vegetable oils, as shown hereunder, are being imported in substantial and growing quantities:—

#### *Imports of Vegetable Oils into India*

	1933-34 Rs.	1934-35 Rs.	1935-36 Rs.
Coconut . . . . .	5,735,000	5,503,000	9,019,000
Linseed . . . . .	391,000	391,000	327,000
Other varieties . . . . .	266,000	589,000	1,039,000
Total . . . . .	6,392,000	6,483,000	10,385,000

This rapid rise in imports, principally of coconut oil from Ceylon, is the occasion of concern, particularly in the Indian coconut industry, so that an impetus has been given through research to the devising of ways and means of utilization of India's own resources in these commodities.

#### TRADE OF BRITISH GUIANA, 1935

W. F. BULL, CANADIAN TRADE COMMISSIONER

(Values are quoted in British Guiana dollars, which are equivalent to 4s. 2d. and are subject to practically the same exchange fluctuations as the pound sterling)

Port of Spain, July 9, 1936.—The Colony of British Guiana is commercially the second most important unit of this territory, being exceeded only by the island colony of Trinidad and Tobago. Though classified with the British West Indies, British Guiana is part of South America and is the only British colony on the mainland of that continent. It is located on the northeastern coast of South America between Venezuela, Dutch Guiana, and Brazil, and lies between parallels 1° to 8° North. It has an area of approximately 90,000 square miles,

equal to that of England, Scotland, and Wales, and by the last year's census a population of 323,171, of which 40 per cent are East Indians, 39 per cent of African extraction, 16 per cent mixed races, 2 per cent aboriginal Indians, 2 per cent Portuguese, and less than 1 per cent other Europeans.

## PRODUCTION

### SUGAR

Sugar and rice are the two most important crops produced in British Guiana, and at the end of 1934 there were 61,567 acres of the former and 63,227 acres of the latter crop under cultivation. Owing to very favourable weather conditions and improved methods of cultivation, the sugar production in 1935 was the highest on record, being 174,616 tons. Prices unfortunately were at the lowest level, and accordingly the colony did not benefit as much as would be expected from the large crop. Sugar prices increased from a pre-war level of \$60 per ton in 1913 to \$240 per ton in 1920. From this figure they have steadily fallen, and long before other producers of primary agricultural products were feeling the effects of the depression, sugar producers were in difficulty. The prices received last year averaged slightly less than \$40 per long ton and would have been considerably lower but for the protection granted by Canada and the United Kingdom.

### RICE

The production of rice at 49,700 tons was an improvement over 1933 and 1934, when crops were affected by excessive rains in the one case and by drought in the other. Most of the rice produced in British Guiana is sold in the West Indies, and owing to the fact that supplies had been limited in the past two years, buyers in the islands bought heavily in India at very low prices, with the result that the value of rice exported from British Guiana in 1935 was the lowest for any year since 1926 and a considerable proportion of the crop had to be carried over into 1936.

### OTHER PRODUCTS

In addition to sugar and rice, coconuts and coffee are produced in the coastal areas; inland there are 77,000 square miles of forests. An important cattle industry has been developed on the high interior savannahs, but it has been seriously hampered by the lack of adequate transportation facilities. Gold, diamonds, and bauxite are mined, and with the opening of a new highway into the interior and the launching of a new dredging company an important increase in the production of gold is expected. Diamond production has been falling off due to low prices and to the premium being paid for gold, which has attracted many diamond prospectors to the gold areas. Bauxite production doubled that of the previous year and reached the 1931 level.

## FINANCIAL SITUATION

The ordinary revenue of the colony amounted to \$5,037,110 and the total revenue to \$5,653,000, including grants from the Colonial Development Fund. The former, which represents the colony's regular income, was the highest amount collected since 1929 and reflects the general improvement in local conditions. Total expenditure for the year amounted to \$5,746,156 and the deficit to \$189,156, which was met in part by a loan in aid from the Imperial Government of \$96,000, and from the surplus balance which was reduced to \$313,441. The total public debt at December 31, 1935, amounted to \$22,206,632, and the sinking fund accumulated for the purpose of reducing the debt was valued at \$2,407,269.

## TOTAL TRADE AND SHIPPING

British Guiana is well served with direct steamship lines which provide regular sailings to and from Canadian Atlantic ports, United States Atlantic and Gulf ports, the United Kingdom, and most European ports. When the volume warrants, calls are paid by vessels from West Coast Canadian and United States ports. There was a decrease in the number but an increase in the tonnage entered and cleared at the ports of the colony over the previous year—574 steam vessels and 575 sailing vessels with a total tonnage of 792,307. There is an important schooner trade with French and Dutch Guiana and the neighbouring West Indian Islands.

## IMPORTS AND EXPORTS, 1931-35

As shown by the following table, the total volume of trade in 1935 was the highest for the past five years, imports being valued at \$350,530 and exports at \$1,760,612 more than in 1934, with a total increase in trade of \$2,111,142:—

	1935	1934	1933	1932	1931
Imports (less re-exports) . . . . .	8,540,798	\$ 8,190,268	\$ 8,364,127	\$ 7,863,488	\$ 7,275,564
Exports of domestic produce . . . . .	10,642,677	8,882,065	9,689,043	10,349,936	9,268,799
Total . . . . .	\$19,183,475	\$17,072,333	\$18,053,170	\$18,213,424	\$16,544,363

## IMPORTS

The increase in the total value of imports is the result of increases in the purchase of cotton piece-goods (\$142,050), manures (\$98,621), pickled meats (\$81,422), smoked and dried fish (\$30,321), and butter (\$25,345), as well as to increases in tobacco, beer, canned fish, and lumber. These increased purchases represent in part an increase in spending power, but are also accounted for by the unsettled conditions in Europe in the latter part of 1935. Local merchants speculated on the possibility of a war in Europe with rising prices and as a result purchased more than their usual requirements.

There were several important decreases in the value of imports in 1935 compared with 1934, chiefly boots and shoes, which fell by \$100,821. This decrease was due to unusually heavy imports in 1934 and to the increase in the general rate of duty, which reduced the imports of low-priced Japanese shoes from over 10,000 dozen pairs to 2,400 dozen pairs. The importation of motor cars, empty bags, manufactured tobacco, hosiery, cement, and flour also decreased.

## EXPORTS

The large increase in the value of exports in 1935 over 1934 is accounted for by increased shipments of sugar. Exports of this staple product at 174,156 tons valued at \$6,926,439 reached a record figure. The value exceeded that recorded in any year since 1928, but fell far below the war and early post-war years, when sugar prices were as much as six times present prices. The by-products of the sugar industry—rum and molasses—were valued at \$422,660 and \$307,931 respectively.

Exports of rice fell to 10,565 tons (\$473,086). Gold exports continued the increase of recent years and amounted to 33,313 ounces (\$845,494). Diamonds at 43,187 carats (\$496,313) showed a small increase over 1934 but were considerably below the average value for recent years. Exports of bauxite at 111,500 tons (\$663,911) were double the exports for 1934.

## DIRECTION OF TRADE

The improvement in Canada's share of the market is the only important change in the source of imports in 1935—from 13 per cent (\$1,098,756) in 1934

to 15 per cent (\$1,299,794) in 1935. As in 1934, 80 per cent of all imports were received from Empire countries and 20 per cent from foreign countries. The United Kingdom is the chief source of supply with \$4,855,023 or 55 per cent of the total, an increase in value but a decrease in percentage from the previous year. Imports from the British West Indies were valued at \$361,875 (4 per cent), and from British India at \$294,828 (3 per cent). The United States was the chief foreign supplier, her share being valued at \$803,245, or 9 per cent of the total, an increase of 1 per cent over 1934. Japan supplied imports valued at \$201,270 (2 per cent), followed by Holland and Germany.

Canada was the principal market for British Guiana products in 1935, followed closely by the United Kingdom, which had held first place in each of the last three years. The total value of the exports to each of the two countries in 1935 was \$4,510,571 (42 per cent) and \$4,334,254 (41 per cent) respectively, compared with \$2,300,939 (26 per cent) and \$4,878,783 (55 per cent) in 1934. If exports of gold and diamonds were excluded, Canada's share in 1935 would be increased to 49 per cent. Only 11 per cent of the total exports were sold to foreign countries, 5 per cent going to the United States and the balance to Belgium (diamonds) and Holland. Canada took 63 per cent of the sugar exported as well as 20 per cent of the bauxite, the remainder going to the United States, when, after being subjected to a preliminary refining process, it would ultimately be shipped to Canada to be manufactured into aluminium.

#### TRADE WITH CANADA

British Guiana's trade with Canada during the calendar years 1932 to 1935 is listed hereunder:—

	1935	1934	1933	1932
Imports from Canada . . . . .	\$1,299,794	\$1,098,576	\$1,078,049	\$ 993,925
Exports to Canada . . . . .	4,510,571	2,300,939	1,816,665	2,764,422
Total . . . . .	\$5,810,365	\$3,399,515	\$2,894,714	\$3,758,347

Flour is the most valuable item imported into British Guiana, and accounts for more than one-quarter of Canada's total share of the import trade of this colony. In 1927 Canada supplied 99 per cent of the flour; but in the following and subsequent years low-grade flour milled from soft Australian, Argentine, Russian, and French wheat was introduced. Canada has continued to obtain the bulk of the business in bakers' grades; but the United Kingdom has steadily increased her exports of supers and extras and last year supplied 55 per cent of the total imports of flour against 44 per cent from Canada.

There was a decided increase in the movement of dried fish from Canada in 1935. In recent years English pollock and hake have sold at slightly lower prices than similar Canadian fish; however, for most of last year prices were competitive and imports from Canada increased from 7,494 cwts. to 17,803 cwts. Imports of Canadian pickled meats doubled in volume and value, and there was a satisfactory increase in potatoes, oats, beer, and leaf tobacco. Foodstuffs and lumber from the Dominion have always obtained an important share of the business available, but it is only in recent years that any real progress has been made in the sale of manufactured goods.

The following manufactured products showed important increases during 1935: cordage and twine, wearing apparel, boots and shoes, hosiery, metal manufactures, machinery (from 2 per cent of the total to 16 per cent of the total), rubber tires and tubes, medicines and drugs, paper manufactures, manufactured manures, and toilet articles. There were decreases in the movement of butter, cheese, condensed milk, and motor cars.

## COMMODITIES OF INTEREST TO CANADIAN EXPORTERS

The following statistics list the principal articles imported into British Guiana which are of interest to Canadian exporters. In each case the total importation is given first for 1935 and then in parentheses for 1934:—

*Beer, Ale, Stout, and Porter.*—Total, 171,343 gals., \$196,117 (137,060 gals., \$122,830): United Kingdom, \$136,748; Canada, \$4,007; Holland, \$3,552.

*Biscuits, Bread, and Cakes, Unsweetened, in Tins.*—Total, 28,266 lbs., \$6,233 (25,320 lbs., \$6,034): Canada, \$3,598; United Kingdom, \$1,495.

*Butter.*—Total, 673,468 lbs., \$138,711 (552,210 lbs., \$113,366): Irish Free State, \$81,332; New Zealand, \$20,172; United Kingdom, \$15,120; Australia, \$12,714; Canada, \$5,948.

*Cheese.*—Total, 254,014 lbs., \$33,741 (239,235 lbs., \$31,996): New Zealand, \$18,692; Canada, \$9,561; United Kingdom, \$2,692; Holland, \$2,600.

*Confectionery.*—Total, 230,461 lbs., \$42,573 (201,291 lbs., \$37,499): United Kingdom, \$40,848; Canada, \$1,417.

*Oilcakes and Oilmeal.*—Total, 1,130,959 lbs., \$19,506 (721,715 lbs., \$13,457): Canada, \$11,373; United States, \$7,756.

*Fish, Canned or Preserved in Jars or Bottles.*—Total, 462,562 lbs., \$65,174 (322,838 lbs., \$44,797): Canada, \$44,215; United States, \$9,741; Portugal, \$4,542; United Kingdom, \$3,138; Japan, \$1,406; Norway, \$1,404.

*Fish, Mackerel and Salmon, Pickled.*—Total, 2,038 brls. of 200 lbs., \$16,893 (2,474 brls. of 200 lbs., \$15,632): Canada, \$16,893.

*Fish, Smoked or Dried.*—Total, 38,229 cwts., \$196,340 (32,725 cwts., \$167,963); United Kingdom, \$97,804; Canada, \$90,231; United States, \$7,554.

*Apples.*—Total, 112,455 lbs., \$5,781 (220,183 lbs., \$10,109): Canada, \$4,525; United States, \$1,252.

*Fruit, Canned or Preserved.*—Total, 81,642 lbs., \$11,695 (75,305 lbs., \$11,115): Canada, \$4,451; United States, \$2,395; United Kingdom, \$2,162; France, \$1,639.

*Oats.*—Total, 2,500,632 lbs., \$40,531 (2,285,978 lbs., \$35,302): Canada, \$39,489; United Kingdom, \$1,013.

*Flour.*—Total, 184,091 bags of 196 lbs., \$746,062 (195,781 bags of 196 lbs., \$765,886): United Kingdom, \$417,514; Canada, \$322,163; France, \$4,850.

*Other Farinaceous Preparations.*—Total, 584,207 lbs., \$26,363 (668,605 lbs., \$28,471): Canada, \$10,120; British Malaya, \$9,532; United Kingdom, \$4,192.

*Beans, Peas, and Lentils.*—Total, 3,081,284 lbs., \$88,757 (2,971,223 lbs., \$89,513): United Kingdom, \$79,463; Morocco, \$3,067; British West Indies, \$2,439; Dutch Guiana, \$1,475; Canada, \$965.

*Lard.*—Total, 33,253 lbs., \$5,017 (63,476 lbs., \$6,016): Canada, \$3,515; United Kingdom, \$673.

*Beef and Pork, Salted or Pickled.*—Total, 11,987 brls. of 200 lbs., \$201,389 (9,861 brls. of 200 lbs., \$119,967): Argentina, \$76,675; United States, \$57,013; Canada, \$27,444; Brazil, \$21,791; United Kingdom, \$9,701.

*Other Kinds (including Bacon, Hams, and Tongues).*—Total, 140,644 lbs., \$30,722 (125,782 lbs., \$24,198): United States, \$16,274; United Kingdom, \$3,955; Brazil, \$3,432; Argentina, \$1,797; Canada, \$854.

*Condensed Milk.*—Total, 1,035,087 lbs., \$87,514 (1,104,842 lbs., \$95,388): Holland, \$32,250; United Kingdom, \$26,791; Canada, \$13,586; Irish Free State, \$9,092; Denmark, \$3,991.

*Tobacco, Unmanufactured.*—Total, 373,716 lbs., \$63,538 (308,211 lbs., \$39,417): United States, \$56,751; Canada, \$2,421.

*Potatoes.*—Total, 8,262,783 lbs., \$127,668 (8,262,966 lbs., \$132,953): Canada, \$103,332; Holland, \$14,149; British West Indies, \$7,004.

*Onions.*—Total, 1,814,244 lbs., \$40,804 (1,743,107 lbs., \$37,669): Canada, \$10,365; Portuguese Possessions, \$9,475; Cyprus, \$7,336; Egypt, \$6,353; Holland, \$6,337.

*Dried, Canned, or Preserved Vegetables.*—Total, 167,294 lbs., \$14,805 (122,466 lbs., \$11,469): Portugal, \$8,320; Canada, \$1,412; United Kingdom, \$1,191.

*Lumber, Pitch Pine.*—Total, 622,431 sup. ft., \$33,163 (524,806 sup. ft., \$27,491): United States, \$33,163.

*Lumber, Other Kinds.*—Total, 1,478,951 sup. ft., \$64,193 (1,181,098 sup. ft., \$51,753): Canada, \$64,185.

*Cotton Piece-goods.*—Total, 9,677,915 linear yards, \$719,799 (7,772,726 linear yards, \$577,749): United Kingdom, \$690,707; United States, \$16,382; Japan, \$7,020; Canada, \$2,906.

*Other Cotton Manufactures.*—Total, \$119,059 (\$116,312): United Kingdom, \$103,968; Japan, \$10,198; Switzerland, \$969; Belgium, \$865; Germany, \$587; France, \$571; British India, \$425; United States, \$418; Canada, \$227.

*Twine.*—Total, 129,358 lbs., \$29,989 (114,279 lbs., \$26,127): United Kingdom, \$23,742; Canada, \$4,076.

*Undergarments (not Hosiery) and Outer Garments.*—Total, \$81,666 (\$89,195): United Kingdom, \$57,716; Canada, \$15,955; Japan, \$4,491.

*Boots and Shoes of Rubber or of Canvas with Rubber Soles.*—Total, 12,560 doz. pairs, \$46,390 (14,787 doz. pairs, \$62,456): Hongkong, \$21,453; Canada, \$11,013; United Kingdom, \$9,747.

*Boots and Shoes, Other Kinds.*—Total, 10,446 doz. pairs, \$134,446 (20,058 doz. pairs, \$219,371): United Kingdom, \$114,677; Czechoslovakia, \$17,054; Hongkong, \$1,212; Japan, \$680; Canada, \$550.

*Hats, Caps and Other Headgear.*—Total, 24,338 doz., \$96,664 (22,206 doz., \$96,493): United Kingdom, \$71,587; Japan, \$19,124; Italy, \$2,428; British India, \$1,834; Canada, \$858.

*Cotton Hosiery.*—Total, 6,866 doz. pairs, \$6,900 (13,508 doz. pairs, \$14,293): United Kingdom, \$3,504; Hongkong, \$2,801; Canada, \$594.

*Silk Hosiery.*—Total, 786 doz. pairs, \$5,408 (761 doz. pairs, \$4,975): Canada, \$5,324.

*Artificial Silk Hosiery.*—Total, 12,249 doz. pairs, \$19,012 (19,058 doz. pairs, \$27,902): United Kingdom, \$14,718; Canada, \$2,533; Hongkong, \$1,412.

*Cotton Underwear.*—Total, 37,069 doz., \$37,862 (45,289 doz., \$50,055): Japan, \$25,306; United Kingdom, \$6,269; Hongkong, \$2,994; Canada, \$2,600.

*Artificial Silk Underwear.*—Total, 2,647 doz., \$7,671 (3,167 doz., \$11,370): United Kingdom, \$6,880; Canada, \$785.

*Rivets, Clinches, Wire, and Wire Manufactures.*—Total, 5,099 cwts., \$24,224 (4,695 cwts., \$25,750): United Kingdom, \$12,889; Germany, \$4,045; Canada, \$4,004; Holland, \$2,395.

*Nails and Spikes, other than Horseshoe Nails.*—Total, 7,110 cwts., \$25,039 (7,088 cwts., \$24,704): Canada, \$18,241; United Kingdom, \$6,757.

*Railway and Tramway Materials.*—Total, 613 tons, \$45,605 (14 tons, \$1,815): United Kingdom, \$42,105; United States, \$1,840; Canada, \$1,227.

*House, Office, Cabinet, or Store Furniture of Iron and Steel.*—Total, \$49,917 (\$45,412): United Kingdom, \$31,815; Canada, \$11,850; United States, \$5,321.

*Other Metal Manufactures.*—Total, \$85,375 (\$99,581): United Kingdom, \$60,514; Germany, \$11,537; Japan, \$10,081; United States, \$1,751; Canada, \$406.

*Aluminium Manufactures.*—Total, \$6,006 (\$1,831): Canada, \$5,060; United States, \$403.

*Hardware.*—Total, \$45,516 (\$44,112): United Kingdom, \$24,693; United States, \$8,462; Germany, \$7,727; Canada, \$2,045.

*Agricultural Implements and Parts thereof.*—Total, \$33,605 (\$34,013): United Kingdom, \$30,414; United States, \$1,753; Canada, \$1,361.

*Other Kinds of Implements and Parts thereof.*—Total, \$48,280 (\$52,227): United Kingdom, \$25,190; United States, \$18,087; Germany, \$2,801; Canada, \$1,351.

*Electrical Apparatus.*—Total, \$139,198 (\$87,265): United States, \$89,087; United Kingdom, \$27,626; Hongkong, \$8,620; Canada, \$4,446.

*Agricultural Machinery.*—Total, \$39,804 (\$49,248): United Kingdom, \$28,637; United States, \$9,802; Holland, \$819; Canada, \$546.

*Mining Machinery.*—Total, 317 tons, \$98,753 (59 tons, \$19,841): Canada, \$53,060; United States, \$39,741; Germany, \$4,273.

*Sugar Machinery.*—Total, 993 tons, \$177,428 (734 tons, \$188,150): United Kingdom, \$154,361; Canada, \$13,730; United States, \$9,066.

*Machinery—Other Kinds.*—Total, \$144,955 (\$187,707): United Kingdom, \$82,025; United States, \$33,441; Canada, \$15,986.

*Motor Cars, Lorries, and Vans.*—Total, 157 units, \$91,486 (290 units, \$179,380): United Kingdom, \$69,379; Canada, \$21,303.

*Motor Car, Lorry, and Van Parts.*—Total, \$24,568 (\$26,257): United Kingdom, \$9,578; United States, \$8,360; Canada, \$6,496.

*Rubber Tires and Tubes for Motor Cars and Motor Cycles.*—Total, \$32,478 (\$19,272): United Kingdom, \$16,533; Canada, \$12,894; United States, \$2,863.

*Cement.*—Total, 22,802 brls., \$76,088 (49,291 brls., \$102,920): United Kingdom, \$65,512; Canada, \$5,319; Germany, \$5,248.

*Calcium Carbide.*—Total, 67,350 lbs., \$3,003 (64,300 lbs., \$2,774): Canada, \$3,003.

*Medicines and Drugs.*—Total, \$122,719 (\$121,120): United Kingdom, \$55,088; United States, \$33,855; Canada, \$20,634; Germany, \$6,209.

*Paints, including Colours and Pigments.*—Total, 7,233 cwt., \$68,746 (6,495 cwt., \$58,208): United Kingdom, \$60,682; Canada, \$4,939; United States, \$2,238.

*Lubricating Oil.*—Total, 1,060,377 lbs., \$50,583 (\$26,655 lbs., \$40,740): United Kingdom, \$36,215; United States, \$9,595; Canada, \$3,825.

*Toilet Soap.*—Total, 95,492 lbs., \$18,205 (67,280 lbs., \$13,564): United Kingdom, \$13,358; Canada, \$2,776; United States, \$1,375.

*Common Soap.*—Total, 2,086,472 lbs., \$111,394 (1,857,131 lbs., \$104,813): United Kingdom, \$109,336; United States, \$911; Argentina, \$870; British West Indies, \$201; Canada, \$63.

*Varnish and Polish, not containing spirits.*—Total, 5,641 gals., \$4,913 (3,743 gals., \$2,997): United Kingdom, \$2,316; Canada, \$2,118.

*Paper, Printing.*—Total, \$40,174 (\$35,491): United Kingdom, \$24,937; Canada, \$8,320; Sweden, \$2,171.

*Paper, Other Kinds.*—Total, \$130,520 (\$122,569): United Kingdom, \$82,499; Canada, \$13,457; Holland, \$9,607; United States, \$9,579; France, \$7,211.

*House, Office, Cabinet, and Store Furniture of Wood.*—Total, \$22,784 (\$18,019): United Kingdom, \$7,014; Canada, \$6,995; Poland, \$3,410.

*Wooden Containers for Locally Manufactured Goods.*—Total, \$77,367 (\$72,263): Canada \$72,898; United States, \$4,133.

*Brooms and Brushes.*—Total, 2,853 doz., \$6,951 (\$2,513 doz., \$6,038): Canada, \$5,263; United Kingdom, \$1,495.

*Manures, Sulphate of Ammonia (Nitrates of Lime, Potash, and Soda), and Guano.*—Total, 10,268 tons, \$333,732 (7,727 tons, \$248,185): United Kingdom, \$270,356; Canada, \$63,376.

*Manures, Other Kinds.*—Total, 3,096 tons, \$60,812 (2,168 tons, \$48,735): United Kingdom, \$32,518; Holland, \$18,990; Germany, \$8,362.

*Oilcloth.*—Total, \$4,852 (\$3,971): United Kingdom, \$2,453; Canada, \$2,071.

*Perfumery, Cosmetics, and Toilet Preparations (except Perfumed Spirits and Soap).*—Total, \$38,842 (\$32,333): United States, \$16,600; United Kingdom, \$15,624; Canada, \$4,169.

*Toys and Games.*—Total, \$27,603 (\$26,315): United Kingdom, \$13,931; Japan, \$5,620; Germany, \$4,573; British India, \$1,204; Canada, \$780.

## POINTS FOR EXPORTERS TO BERMUDA

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, July 9, 1936.—The Bermudas form a group of small islands, the most northerly coral islands in the world, situated in the Western Atlantic Ocean about 677 miles southeast of New York City and about 713 miles from Halifax. The islands are connected by either bridge or ferry. The total area is estimated at 19½ square miles. The climate on the islands is sufficiently warm to favour growth of tropical vegetation. However, it is free from extreme heat or oppressive humidity in summer and free from frost and snow in the winter. The average temperature is 70 degrees, seldom exceeding 90 degrees in the summer, and rarely falling below 50 degrees in the winter.

## CURRENCY AND BANKING

British sterling, pounds, shillings, and pence, is the legal currency of the islands. British and Bermuda Government paper in the form of one-pound and ten-shilling notes are in common circulation. Silver coin is legal tender to any amount. There are two banking establishments in the colony, the Bank of Bermuda, Limited, Hamilton, with branches at St. Georges and Somerset; and the Bank of N. T. Butterfield & Son, Limited, at Hamilton. Exchange affects the respective values of sterling, United States, Canadian, and other money, and in Bermuda the banks have to follow the current quotations abroad, and in their turn the business houses of the colony abide by the buying rates named by the local banks.

## IMPORT TRADE

Bermuda is principally an importing country. However, a few commodities are exported, such as vegetables and bulbs. The United Kingdom, the United States, and Canada enjoy the bulk of the import trade.

The following table gives a comparison of Bermuda's imports for the years 1934 and 1935:—

Country	1934		1935	
	Value	Percentage	Value	Percentage
United Kingdom . . . . .	£ 385,796	28.7	£ 438,193	30.8
United States . . . . .	546,221	43.7	552,950	39.1
Canada . . . . .	228,525	17.0	228,436	16.0
Other countries . . . . .	180,185	10.6	200,619	14.1
Total . . . . .	£1,340,727		£1,420,198	

Imports into Bermuda, valued at £1,420,198 in 1935, increased £79,471 or 5.5 per cent from the total of £1,340,727 in 1934. Imports from Canada amounted to £228,436 in 1935 compared with £228,525 for 1934.

The following is a list of the chief commodities that are imported from Canada: oats, hay, bran, mixed grain, and cattle feeds; flour; beef (fresh, smoked, and canned); pork and lard; mutton; fish (fresh, canned, and pickled or smoked); milk and cream (canned); cheese; butter; vegetables (canned and fresh); potatoes (seed and Irish); fruit (fresh and canned); groceries; lumber; paints; furniture; fancy goods and stationery.

## EXPORT TRADE

The export trade of Bermuda is very small; the total volume in 1935 amounted to £121,538 compared with £294,762 for 1934, a decrease of £173,224 or 58.7 per cent. Canada and the United States take nearly all exports. The principal commodities exported are vegetables, onions, potatoes, and lily bulbs.

## IMPORT TARIFF

The tariff of Bermuda on most goods is 10 per cent plus a surtax of 25 per cent, which is equivalent to a duty of 12½ per cent ad valorem, but the surtax of 25 per cent is not levied on goods of British Empire origin. Some exceptions are:—

Commodity	British Preferential Tariff	General Tariff Ad valorem
Wheaten and rye flour . . . . .	Free	12½%
Fish, salted, smoked or pickled, not canned or bottled . . . . .	Free	12½%
Oats . . . . .	1d. per bush.	12½%
Wheat, bran, middlings, shorts, pollard, hay . . . . .	3d. per 100 lbs.	12½%
Bacon . . . . .	10%	10% plus ½d. per lb.
Butter . . . . .	10%	10% plus 1½d. per lb.
Canned or bottled fruit . . . . .	5%	20%
Canned or bottled meat . . . . .	5%	20%
Canned or bottled vegetables . . . . .	10%	25%
Canvas boots and shoes with rubber soles . . . . .	10%	10% plus 1s. per pr.
Eggs, January to May . . . . .	5d. per doz.	7d. per doz.
Eggs, June to December . . . . .	2d. per doz.	4d. per doz.
Electric appliances, bulbs, fittings and apparatus . . . . .	10%	25%
Electric generating machinery . . . . .	10%	25%
Furniture of all materials . . . . .	10%	20%
Ham . . . . .	10%	10% plus 2½d. per lb.
Hardware . . . . .	10%	20%
Hosiery of cotton and/or artificial silk . . . . .	10%	10% plus 6d. per pr.
Hosiery of silk . . . . .	10%	10% plus 9d. per pr.
Motor vehicles and parts including tires . . . . .	10%	30%
Rubber boots and shoes . . . . .	10%	10% plus 1s. per pr.

## DOCUMENTATION

*Commercial Invoices.*—The country of origin must be shown. In the case of primary goods, the country of origin is that in which the products were grown or produced, and in the case of manufactured goods the country where the manufacturing process was substantially completed.

Exporters in British Empire countries must comply with the regulations made by the Governor in Council on September 2, 1925, and June 1, 1927, under the Revenue Act, 1925 (No. 26), and Section 4 of the Imperial Preference Act, 1925 (No. 38), to govern the entry of goods under the Imperial preference tariff. Canadian exporters may obtain these regulations by applying to the Department of Trade and Commerce, Ottawa.

*Samples.*—Samples and advertising matter are ordinarily dutiable and there are no special regulations regarding them. Invoices are required to be produced on entering the goods.

*Mixing Packages.*—Goods certified for entry under the British preferential tariff shall be packed separately from other goods. The packages, however, may be enclosed with other goods, provided the certificate of origin is endorsed accordingly.

## COMMUNICATIONS

Bermuda is either a terminus or a port of call for the following steamship lines:—

*The Canadian National Steamship Lines* operate two services: a western service with fortnightly sailings from Montreal to Bermuda during the summer and from Halifax and Boston in the winter. The eastern service is an all-year-round service with fortnightly sailings from Halifax and Boston to Bermuda and the British West Indies, returning to Boston and Saint John.

*The Ocean Dominion Steamship Line* operates a freight service between Saint John and Halifax and Montreal to Bermuda and the British West Indies.

*The Furness Bermuda Line* provides a rapid and regular twice-a-week service in each direction between New York and Bermuda.

*The Pacific Steam Navigation Company* has a service from Liverpool, England, via French and Spanish ports to Bermuda.

*The Royal Mail Lines* operate a monthly service from London, England, via Bermuda to Nassau, Jamaica, and Haiti.

## TRADE OF KENYA AND UGANDA IN 1935

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, June 25, 1936.—The trade statistics of Kenya and Uganda recently issued, as in the two previous years, show an improvement with sizeable increases in both imports and exports.

Total volume of trade for the years 1933 to 1935 are as follows, being exclusive of transit and transshipment goods, but including bullion and specie:—

	1933	1934	1935
Trade imports . . . . .	£ 4,686,000	£ 5,424,000	£ 6,250,000
Government imports . . . . .	213,000	284,000	391,000
Total imports . . . . .	4,899,000	5,708,000	6,641,000
Domestic exports . . . . .	5,712,000	5,684,000	6,609,000
Re-exports . . . . .	1,596,000	1,822,000	2,088,000
Total exports . . . . .	7,308,000	7,506,000	8,697,000
Volume of trade . . . . .	£12,207,000	£13,214,000	£15,338,000

## IMPORT TRADE

The import trade of Kenya and Uganda reached its peak in 1928 when the total, exclusive of Government specie and imports, amounted to £10,327,000.

From 1928 to 1934 imports decreased annually; the 1934 figure was £5,613,000, and that of 1935 £6,549,000.

The value of total imports under the main statistical headings, with relative percentages for the years 1934 and 1935, are as follows:—

	1934		1935	
	£	%	£	%
Food, drink and tobacco . . . . .	1,077,380	18.87	1,061,807	15.99
Raw materials and articles mainly unmanufactured . . . . .	273,619	4.79	388,566	5.85
Articles wholly or mainly manufactured . . . . .	3,948,155	69.17	4,768,251	71.79
Animals not for food . . . . .	5,619	0.10	8,888	0.13
Parcel post . . . . .	278,465	4.88	294,520	4.44
Bullion and specie . . . . .	124,787	2.19	119,313	1.80
Total . . . . .	5,708,025		6,641,345	

Cotton textiles are the most important import item, accounting for 13·21 per cent of the total, and amounting in value to £877,279. Unbleached cotton is the most important article, followed by cotton dyed in the piece, coloured, printed, blankets, and bleached cottons. Japan secured 70 per cent of the trade, followed by the United Kingdom with 16 per cent. Germany, Czechoslovakia, and Holland furnish the bulk of imported cotton blankets.

Imports of artificial silk piece-goods were valued at £65,029, of which Japan is credited with £57,647.

Imports of building materials increased during 1935, particularly cement, of which the United Kingdom supplied 14,185 tons out of a total of 19,821 and Japan 4,940 tons.

In order of value, percentages of total imports from the principal sources in 1935 were: United Kingdom, 37·0; Japan, 15·17; Tanganyika, 12·54; United States, 7·64; India, 5·59; Germany, 4·44; Persia, 4·33; Belgo-Luxemburg, 1·95; Canada, 1·65; Union of South Africa, 1·64; Dutch East Indies, 1·42. The percentage from the British Empire was 59.

The United Kingdom supplied goods to the value of £2,457,468, consisting chiefly of cotton textiles; iron and steel and manufactures thereof; woollen and artificial silk goods; ale, beer, stout, gin and whisky; tools and cutlery; chemicals, drugs and paints; motor cars, trucks and parts; cement and machinery. From the United States the principal imports were: motor cars and trucks; oil, gasoline and coal oil and tires; supplies from Germany were chiefly beer, tools, machinery, cotton blankets, stationery, bicycle parts, lamps.

Imports from Canada amounted to £109,706, as against £81,495 in 1934, and £92,777 in 1933. The principal items imported from Canada, with 1934 figures within parentheses, were:—

Motor trucks and accessories, £41,976 (£34,797); motor cars and accessories, £40,231 (£30,509); motor tires and tubes, £14,041 (£6,168); agricultural machinery and tools, £5,019 (£3,383); iron and steel manufactures n.e.e., £2,058; machinery, £1,380 (£773); fresh fruit, £1,128; fish canned, £908; foodstuffs, £877; miscellaneous manufactured goods, £809; type-writers, £678; aluminium sheets and manufactures, £621 (£1,281); rubber manufactures, £572 (£264); paper products, £548; drugs, £354; textiles, £302 (£189); artisans' tools, £278 (£115).

#### EXPORT TRADE

The domestic export trade of Kenya increased annually, with few exceptions, until 1930, when the peak of £3,423,000 was reached. In 1931 it decreased to £2,344,000, and continued downwards until 1934, when domestic exports amounted to £1,190,000. In 1935 a substantial increase was recorded due to increased exports of cotton and coffee, and to some extent to increased prices. The total was £2,978,000.

The domestic export trade of Uganda differed from that of Kenya, however, and there have been wider annual margins. The peak year was 1925, when

domestic exports totalled £5,097,000. In 1926 and 1927 decreases were recorded. During 1928 and 1929 an improvement took place; the total for 1929 was £4,274,000. The years 1930 and 1931 recorded decreases. Some recovery was made during the following two years, and in 1934 the total amounted to £3,774,000; but in 1935 there was a decrease to £3,631,000. These fluctuations are mainly due to the quantity of cotton and coffee exported.

Jointly, domestic exports of Kenya and Uganda reached their peak year in 1925, when the total amounted to £7,821,000. Except for 1929, which was another good year, the exports fluctuated. The lowest level since 1923 was reached in 1931, when they amounted to £4,322,000. Since that date the trend has been upwards; and the total in 1935 was £6,608,836.

#### CHIEF EXPORTS OF KENYA AND UGANDA

The chief exports of Kenya and Uganda for the years 1934 and 1935 are as follows:—

	1934		1935	
	Quantity	£	Quantity	£
Raw cotton . . . . .centals of 100 lbs.	1,154,316	2,956,279	1,041,387	2,899,065
Coffee, raw . . . . .cwt.	341,057	785,072	483,778	1,160,772
Sisal, fibre . . . . .tons	23,168	303,890	31,666	421,213
Sugar, refined . . . . .cwt.	367,420	298,104	337,874	220,375
Tea . . . . .cwt.	22,362	113,489	45,446	218,941
Corn . . . . .cwt.	440,013	104,768	1,193,609	184,966
Sodium carbonate . . . . .tons	30,832	140,564	38,723	175,899
Hides, dry and dry salted . . . . .cwt.	116,687	195,845	94,760	169,735
Seeds, cotton . . . . .tons	35,980	86,641	51,887	138,989
Tin, ore . . . . .tons	440	63,320	550	78,215
Butter . . . . .cwt.	11,330	41,266	16,287	59,655
Wattle extract . . . . .cwt.	49,734	28,711	101,888	58,992
Wheat meal and flour . . . . .cwt.	47,421	30,603	77,561	49,731
Wattle bark . . . . .cwt.	258,577	51,658	223,138	44,570
Wool . . . . .centals of 100 lbs.	10,025	30,037	12,626	41,710
Skins, sheep and goats . . . . .number	1,062,984	28,026	1,323,048	40,491
Sesame seeds . . . . .tons	2,904	30,426	3,579	38,546
Ivory . . . . .cwt.	821	23,129	916	28,817
Potatoes . . . . .cwt.	40,513	9,187	96,675	21,372
Rubber, raw . . . . .centals of 100 lbs.	3,269	7,111	8,314	20,394
Corn meal and flour . . . . .cwt.	90,974	25,772	107,262	20,064
Ground nuts . . . . .tons	299	2,673	1,639	19,677

#### PRINCIPAL COUNTRIES OF CONSIGNMENT

The fourteen principal countries to which domestic exports were consigned, and their values for the last two years, were as follows:—

	1934	1935
India . . . . .	£2,116,466	£2,709,832
United Kingdom . . . . .	1,273,429	1,661,645
United States . . . . .	212,499	332,962
Tanganyika . . . . .	266,072	276,321
Canada . . . . .	101,197	261,194
Belgo-Luxemburg . . . . .	146,798	215,109
Italian Somaliland . . . . .	36,109	140,658
Union of South Africa . . . . .	140,797	138,875
Japan . . . . .	692,055	126,713
Germany . . . . .	110,971	125,234
France . . . . .	70,850	98,196
Holland . . . . .	93,164	96,991
Italy . . . . .	56,121	50,295
Australia . . . . .	33,932	36,520

The products, in order of their importance, taken by the fourteen principal countries to which domestic exports were consigned, were as follows: India, raw cotton; United Kingdom, coffee, tea, sisal, gold bullion, cotton seed, raw cotton, refined sugar; United States, coffee; Tanganyika, refined sugar, wheat meal and flour, tobacco and cigarettes, corn meal and flour; Canada, corn, coffee, sisal;

Belgo-Luxemburg, cotton; Italian Somaliland, tea, wheat meal and flour; Union of South Africa, coffee, hides, sodium carbonate; Japan, sodium carbonate, wattle extract; Germany, cotton, sisal, hides; France, hides and sisal; Holland, tin ore, sisal, wattle bark; Italy, coffee, hides; Australia, sodium carbonate, coffee.

#### EXPORTS TO CANADA

As stated above, exports to Canada in 1935 amounted to £261,194; compared with £101,197 in 1934 and £77,884 for 1933 and £86,142 in 1932. Coffee was the principal item, amounting to £136,366, which was £40,540 in excess of that which Canada took in 1934. Corn to the value of £110,150 was also taken by Canada together with 846 tons of sisal, valued at \$12,441. Beans and geranium oil plus miscellaneous products made up the balance.

### FOREIGN TRADE OF SARAWAK IN 1935

B. C. BUTLER, ACTING TRADE COMMISSIONER

(All values in Straits currency: S\$1 equals 58 cents Canadian at present exchange)

Singapore, June 20, 1936.—The State of Sarawak, over which the Brooke family has ruled as Rajahs since 1841, consists of a territory some 50,000 square miles in area along the northwest coast of Borneo.

The total trade in merchandise of this native state increased by 5·8 per cent in 1935, amounting to \$37,466,679 against \$35,417,473 in 1934. Exports, consisting principally of rubber, oil, pepper, coal, and miscellaneous native produce such as sago, jelutong, damar, copra, and rattans, totalled \$21,109,264 in 1935 against \$21,458,033 in 1934, a decrease of 1·6 per cent. This decline in export trade is accounted for by decreases in the quantity and value of pepper and oil exports, the most outstanding decrease being in the case of pepper, which dropped from a total of 70,050 piculs valued at \$2,911,787 to 24,431 piculs valued at \$582,826.

Most imports enter Sarawak via the port of Singapore. Imports for the year were valued at \$16,357,415 against \$13,959,440 in 1934, an increase of 17·2 per cent. Imports of interest to Canada, with values for the years 1935, 1934, and 1933 respectively, are listed hereunder:—

	1935	1934	1933
	Figures in Straits Dollars		
Biscuits . . . . .	\$127,781	\$104,059	\$ 56,275
Confectionery . . . . .	35,030	31,645	24,083
Cycles and motor cycles and accessories	81,323	72,465	31,632
Electrical goods and apparatus . . . . .	138,035	103,342	70,862
Dried, salt fish <sup>1</sup> . . . . .	167,074	181,466	109,432
Tinned fish . . . . .	68,449	61,331	26,157
Flour <sup>2</sup> . . . . .	145,602	136,588	133,033
Hams and bacon . . . . .	5,022	5,522	3,647
Leather . . . . .	9,150	10,483	7,254
Macaroni and vermicelli . . . . .	24,843	23,710	14,207
Milk, condensed and sterilized . . . . .	351,752	321,447	249,826
Motor lorries and cars . . . . .	71,305	78,499	45,388
Accessories for above . . . . .	46,015	46,244	48,392
Paper . . . . .	57,555	67,011	49,965

<sup>1</sup> By weight, 720 tons in 1935, 883 tons in 1934, and 534 tons in 1933.

<sup>2</sup> By weight, 1,578 tons in 1935, 1,542 tons in 1934, and 1,450 tons in 1933.

## SUMMARY OF THE TRADE OF CANADA: MONTH, SIX MONTHS, AND TWELVE MONTHS ENDING JUNE, 1936

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of June, 1936				Six Months ending June, 1936				Twelve Months ending June, 1936			
	From United Kingdom		From United States		From United Kingdom		From United States		From United Kingdom		From United States	
	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$
<i>Imports for consumption</i>												
Agricultural and Vegetable Products.....	11,356,431		4,024,560		54,279,491		7,903,553		111,538,698		17,641,996	
Animals and Animal Products.....	2,049,080	1,314,805	1,027,974		13,062,874		6,715,123		24,634,202		3,998,913	
Fibres, Textiles and Textile Products.....	7,960,392	3,845,722	2,330,622		48,406,078		22,241,262		93,704,210		42,592,692	
Wood, Wood Products and Paper.....	2,214,240	3,845,722	1,685,105		12,375,311		1,544,922		24,988,154		3,506,790	
Iron and its Products.....	12,805,143	2,140,191	10,017,847		67,758,060		9,414,676		122,077,382		21,307,020	
Non-Ferrous Metals and their Products.....	2,989,138	216,518	2,171,973		17,152,650		2,350,045		37,940,326		23,021,328	
Non-Metallic Minerals and their Products.....	1,712,730	1,667,357	8,293,873		49,557,655		5,677,293		13,086,887		15,086,771	
Chemicals and Allied Products.....	3,769,801	515,700	7,540,672		14,848,435		2,947,739		30,312,473		6,494,263	
Miscellaneous Commodities.....	57,598,132	622,013	2,732,224		16,364,189		2,845,713		30,312,473		6,494,263	
Total Imports, 1936.....	46,731,680	11,063,631	32,094,850		293,804,743		56,832,446		583,746,901		120,401,205	
1935.....	43,185,892	9,854,185	23,911,997		247,389,890		53,101,468		326,452,080		112,892,232	
1934.....		9,043,612	23,099,216				53,625,220		480,683,047		111,913,063	
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	27,326,809		2,980,389		119,930,844		69,464,889		271,681,878		170,882,436	
Animals and Animal Products.....	10,114,886	16,752,553	3,056,107		56,601,048		21,906,742		108,013,973		58,047,669	
Fibres, Textiles and Textile Products.....	18,960,479	5,397,498	5,772,584		91,403,209		1,202,897		11,170,694		2,418,180	
Wood, Wood Products and Paper.....	4,449,610	3,280,891	12,064,279		26,052,002		5,863,690		190,306,357		29,730,846	
Iron and its Products.....	11,573,097	748,092	639,136		94,182,511		36,222,588		51,322,307		10,640,463	
Non-Ferrous Metals and their Products.....	2,221,169	5,516,821	3,435,708		9,676,870		1,044,566		214,962,479		68,100,531	
Non-Metallic Minerals and their Products.....	1,534,638	298,362	1,236,612		9,167,081		1,724,846		20,333,709		2,392,909	
Chemicals and Allied Products.....	1,507,044	288,943	555,507		9,167,081		4,445,007		16,681,459		3,360,807	
Miscellaneous Commodities.....	79,181,200	508,974	791,835		7,170,250		2,131,605		13,667,900		3,431,622	
Totals, 1936.....	58,504,829	33,270,582	25,462,157		419,808,491		158,533,447		898,138,256		349,005,463	
1935.....	64,825,528	17,513,376	27,737,932		347,954,349		116,425,026		758,033,947		283,382,167	
1934.....		26,498,948	22,724,215				130,297,413		715,843,566		304,701,957	
<i>Exports (Foreign Produce)</i>												
Totals, 1936.....	761,136	95,320	583,337		4,737,460		452,595		12,977,373		878,142	
1935.....	893,887	116,308	692,163		4,819,032		421,775		8,414,536		843,773	
1934.....	597,024	66,035	473,191		3,420,288		455,800		6,679,895		775,753	
<i>Excess of Imports (i) or All Exports (e)</i>												
Totals, 1936.....	(e) 22,344,104		(i) 22,302,241		(e) 130,741,208		(e) 102,183,596		(e) 327,368,728		(e) 229,482,400	
1935.....	(e) 12,667,027		(e) 7,676,099		(e) 91,400,988		(e) 63,745,333		(e) 239,996,443		(e) 171,333,708	
1934.....	(e) 19,236,060		(e) 16,921,371		(e) 103,596,081		(e) 77,427,993		(e) 241,840,414		(e) 193,564,072	
											(e) 43,435,658	
											(e) 19,647,458	
											(e) 15,401,622	

## WHEAT AND FLOUR SITUATION IN THE NETHERLANDS

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One kilo equals 2·2 pounds; one metric ton equals 2,205 pounds; one florin or gilder equals \$0.67 at current rate of exchange)

### WHEAT

Rotterdam, July 16, 1936.—With Netherlands flour mills using as much as 60 per cent Canadian wheat in addition to the 35 per cent of the home-grown product which is obligatory, imports from Canada during the second quarter of the year have been high, having out of a total of 121,398 metric tons stood at 77,615 tons, or close to 64 per cent. Additional quantities of Canadian wheat have been imported into the Netherlands via Belgium, and the United States, to which countries they have been credited in the trade statistics. During the first six months of 1936 imports from Canada weighed 114,888 tons in comparison with 96,905 tons for the whole of 1935.

Details of wheat imports in the April-June period of the current year, together with comparative figures for the first quarter of 1936 and the corresponding quarter of 1935 are sub-joined:—

#### *Wheat Imports into the Netherlands*

Country of Origin	April-June, 1935		Jan.-March, 1936		April-June, 1936	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total . . . . .	111,457	4,507	108,446	5,371	121,398	5,887
Germany . . . . .	.....	.....	9,432	426	13,697	587
Belgium . . . . .	1,637	70	1,081	55	1,133	57
France . . . . .	.....	.....	.....	.....	1,475	62
Russia . . . . .	.....	.....	11,989	583	2,412	123
Sweden . . . . .	500	15	3,621	167	407	18
Canada . . . . .	20,910	996	37,273	1,903	77,615	3,731
Argentina . . . . .	75,127	2,810	16,352	759	8,465	414
Uruguay . . . . .	.....	.....	.....	.....	502	25
United States . . . . .	9,193	469	27,988	1,447	7,133	362
Australia . . . . .	.....	.....	.....	.....	7,347	370

### WHEAT IN STORAGE

The quantity of wheat in storage in Rotterdam continues to remain at a low level. There were only 24,365 metric tons on hand on July 11, of which all but 400 tons was of Canadian origin. Owing to the very restricted market in Europe for foreign wheat, there is now but little need for traders to hold large quantities in store and in Holland there are only two large buyers. Purchases by German mills in the Rhineland have practically ceased, and the openings in other countries are also limited.

### DOMESTIC PRODUCTION

The Department of Agriculture's recently issued field crop report indicates a slight decline in the 1936 wheat acreage in comparison with the preceding period. Most of the wheat grown in Holland is fall-sown, and the area at present under this crop is 315,036 acres in comparison with 320,285 acres in 1935. The respective figures for spring wheat, which has also shown a contraction, are 54,105 acres and 59,925 acres. The average area sown with fall wheat during the ten-year period from 1925 to 1934 was 173,784 acres and with spring wheat 27,363 acres.

The recent increase in production is due to the operation of a wheat mixing law which necessitates the use, by millers, of 35 per cent of the domestic product and guarantees the producers a fixed price, which for the current period will be fl 9 per 100 kilos (about \$1.67 per bushel).

During the past few seasons the condition of the Netherlands wheat crop has been good and of a quality not unsuitable for the manufacture of bread. Present indications are that the 1936 crop will be equally satisfactory. Its position is slightly above the ten-year average, and it is described as being "good to very good."

#### TRADE WITH HUNGARY

A commercial agreement is now being concluded between the Netherlands and Hungary. Although the exact terms of this have not been published, it is unofficially reported that it contains a clause whereby this country agrees to import 100,000 metric tons of Hungarian bread wheat before July 1, 1937. Fifteen per cent of the value of the wheat in question will be used to liquidate outstanding Netherlands claims against Hungary; the remaining 85 per cent is to be employed by Hungary to purchase Netherlands merchandise.

The quantity involved is roughly 20 per cent of the total annual wheat imports. Up to date Hungary has not been an exporter of wheat to Holland except in limited quantities.

#### FLOUR

The second quarter of the year has seen a marked increase, principally from the United States, in the quantity of flour imported. The total of 19,186 tons was almost double the average quarterly figure since the inception of the present legislation restricting the employment of foreign flour.

This is largely due to the Netherlands-United States trade agreement whereby, from the beginning of 1936, this country contracted to purchase 2,500 tons of American flour per month. Up to date, owing to its comparatively high price and other handicaps, this figure has not been reached. The agreement has, however, assisted the trade in American flour. Considerable uncertainty has existed regarding the position of flour coming from other countries. The statistics for the current period do not indicate any restrictive movement, however, and as far as Canada is concerned there is even an increase in the imports. Also, most of the American flour now being marketed here is milled from Canadian wheat.

Wheat flour imports by quarters since the beginning of 1936 with comparative statistics for the second quarter of 1935 are as follows:—

#### *Flour Imports into the Netherlands*

Country of Origin	April-June, 1935		Jan.-March, 1936		April-June, 1936	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total.. . . .	10,012	527	10,435	632	19,186	1,232
Belgium .. . . .	.....	.....	105	7	92	5
United Kingdom .. . .	594	35	733	49	1,785	111
France.. . . .	4,382	172	2,949	155	3,447	171
Poland.. . . .	.....	.....	2,469	97	1,800	68
Hungary .. . . .	.....	.....	135	8	2,671	176
Canada .. . . .	1,079	76	1,086	82	1,613	121
United States .. . . .	2,442	189	2,788	225	6,482	503
Australia.. . . .	133	7	.....	.....	1,286	80

#### MILLING INDUSTRY

Some preliminary figures are now available regarding the operations of the Netherlands milling industry in 1935. Setting aside small mills with a yearly capacity of less than 2,000 tons of wheat, there was a total of 20 establishments in operation which collectively ground 817,000 metric tons (30,024,750 bushels) of wheat and 41,000 metric tons of rye. Total wheat flour production was 625,000 metric tons, while the value of all products manufactured was fl.87,000,000. On September 15, 1935, employees numbered 1,890. In 1934 there were 19 mills operating, which ground 793,000 tons of wheat (29,142,750 bushels).

Prior to the inception of the wheat mixing law, the Netherlands milling industry supplied from 70 to 75 per cent of the flour consumed in the country. Now the ratio has risen to from 92 to 97 per cent.

#### COSTS AND PROFITS IN THE BAKING INDUSTRY

The Central Statistical Bureau has recently published the summary of an inquiry made into the baking industry. This investigation, which covered the year 1934, was conducted in co-operation with the Economic Institute for the Middle Classes. It is based on a study of a selected number of enterprises in seven of the larger cities. In comparison with 1929, when a similar investigation was made, there has been a sharp decline in the percentage of net profit, the average of which dropped from 5.1 to 2.2. Taken collectively, 52.8 per cent of the total turnover of the group of enterprises investigated represented the costs of raw materials and 45 per cent other costs. In this latter wages are an important item, representing 69.1 per cent at The Hague and as high as 75.4 per cent in Nymegen.

At The Hague the weekly wage of an ordinary baker working under contract is shown as varying from fl.33 to fl.35 (about \$22 to \$23.40). The wage of the delivery man is approximately the same.

## WHEAT AND FLOUR TRADE REGULATION IN EUROPEAN COUNTRIES

### II. Switzerland

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One franc equals \$0.193 at par (\$0.32 at current rate); one metric ton equals 2,205 pounds; 100 kilos (220 pounds) equal 3.67 bushels)

#### WHEAT

Rotterdam, July 14, 1936.—The basis of state control of the wheat trade in Switzerland goes back to the war, when in 1915—as a measure of national emergency—the Government assumed sole responsibility for its importation and distribution. This monopoly continued until 1929, when, after a plebiscite had been held on the question, it was abandoned.

The constitutional amendment which abolished the monopoly provided at the same time measures of state aid for domestic wheat producers. The principal features are the formation and maintenance by the Government of reserve supplies of wheat and the acquisition of home-grown wheat from the producer at a guaranteed price. The state also undertook to provide the machinery for the selling of this wheat to the millers, the paying—under certain circumstances—of milling premiums, and the protection of the national milling industry against foreign competition.

#### GOVERNING LEGISLATION

The legislation dealing with the wheat trade of Switzerland is covered by the "Loi Fédérale sur le Ravitaillement du Pays en Blé" of July 7, 1932. A recapitulation of the salient features of this legislation is subjoined:—

*Reserves.*—In order to ensure an adequate supply of wheat within the country, the Confederation is to maintain a reserve of approximately 80,000 metric tons, which quantity may, under exceptional circumstances, be augmented. This reserve supply is to be held in private or public warehouses and also in the private store-houses of the mills. It is to consist of the varieties and qualities best suited for milling purposes. It is laid down that the Federal Cereal Administration—a Government body—is responsible for the renewal of reserves. Sales are made to millers at the current market prices, and concur-

rently equal quantities purchased from abroad, so that the specified quantity is always held in stock. In buying wheat the Cereal Administration must purchase through Swiss importers or representatives of foreign grain firms domiciled in the country.

*Domestic Wheat.*—It is specified that the Confederation is to purchase directly from Swiss producers wheat suitable for the making of bread. The price paid is to be between 34 and 45 francs per 100 kilos (\$10.88 and \$14.40 per 3.67 bushels) f.o.b. cars or franco mill or warehouse.

The actual price paid is to be fixed annually by the Federal Council, in no case later than September of each year. For wheat of a superior quality, a supplement of 1.50 franc per 100 kilos (\$0.48 per 3.67 bushels) may be paid. Additional supplements may be paid to producers of wheat in mountain regions on account of their higher production costs. Apart from aiding growers financially, the Confederation is to assist and encourage in all possible other ways the domestic production of bread grains.

*Milling Industry.*—The law being reviewed places the milling industry in general under the supervision of the Confederation, whose advice and instructions it must follow.

The commercial mills are required, for instance, to store without cost their part of the reserve wheat and to adequately guard it against deterioration or damage. Operators of commercial mills must also take for grinding the indigenous wheat purchased by the federation, and at the request of the Cereal Administration they must in addition purchase the foreign wheat held in storage in order to permit the periodic renewal of stocks.

The Federal Council will fix the price to be paid for this on the basis of the average price ruling for foreign wheat of similar quality franco mill. Home-grown wheat is delivered to the mills at a uniform price franco railway station or destination.

The section dealing with the milling industry also provides that the right to import bread flour is vested solely in the Confederation. The Cereal Administration may authorize such importation against payment of a compensatory duty at a rate to be fixed by the Federal Council. Industries which do not use bread flour for the manufacture of bread may be exempted from this tax.

The Confederation is further empowered to grant special facilities for the transportation of flour in the country. Furthermore, assistance is provided for mills in the mountain regions which, because of locality, could not otherwise economically operate.

*Control of Wheat Traffic.*—All firms and individuals who import, sell, or trade in wheat are placed by the Wheat Act under the supervision of the Confederation. They must be inscribed in a register of commerce and make a declaration that they will conform to the regulations prescribed by the Wheat Law and in its functioning co-operate with the agents of the state.

Apart from the surveillance of the trade, the actual movement of wheat is government-controlled from the time it enters the country until it is finally consumed. As regards domestic wheat, this superintendence commences with its delivery by the producer to the Confederation.

Feeding wheat is exempt from the foregoing regulations.

*Protection of Consumers.*—The Confederation is also enjoined to protect the interests of consumers of bread from exploitation at the hands of millers who have monopoly privileges as regards the sale of flour.

## OPERATION OF LAW

The administration of the wheat control legislation is placed in the hands of a body known as the Federal Cereal Commission, to which reference has already been made and whose headquarters are in Berne. In superintending the wheat trade this organization co-operates closely with the customs authorities and other interested government services.

In order to meet the cost of paying an abnormal price for home-grown wheat, legislation was passed concurrently with the abandonment of the monopoly to raise the statistical tax on all imports.

The price paid by the Confederation for domestic crop wheat of the 1935 crop was 34 francs per 100 kilos (\$10.88 per 3.67 bushels). The price to be paid for the current year has not yet been determined.

## EXTENT OF DOMESTIC PRODUCTION

With the assistance of the legislation to which reference has been made, Switzerland has a domestic production which averages roughly 3,704,400 bushels per annum. The area devoted to wheat culture remains fairly steady from year to year with an average of 130,342 acres. The comparatively high yield per acre is made possible by the extensive employment of fertilizers.

## RESTRICTED IMPORTS

At the close of 1931 Switzerland adopted legislation which empowered the Federal Council to limit imports by means of quota restrictions. By a decree which became effective on May 12, 1932, wheat was placed under this law, and since then imports have been allowed only under permit from countries specified by the authorities.

The quotas granted to exporting countries are not published, but are determined quarterly on an arbitrary basis and confidential instructions as to from whom and the quantities they may import are issued to the grain trade. In fixing quotas the repatriation of Swiss credits frozen in cereal-producing countries is taken into consideration. In addition, efforts are made to effect compensation arrangements with grain-growing states whereby Swiss industrial products are taken in exchange for wheat.

The result of this has been the diversion of a large proportion of Switzerland's wheat imports to certain European countries, chief among which is Hungary.

By virtue of a trade agreement between Switzerland and the United States, which became effective on February 15, 1936, the former country granted the latter an annual import quota for 118,000 metric tons (4,336,500 bushels) of wheat.

## EXTENT OF MARKET

Despite the subvention of domestic production, its scope is limited by the topography. Switzerland is still therefore an important wheat importer, particularly on a per capita basis. During the six-year period from 1930 to 1935 average annual imports were approximately 18,334,484 bushels. In 1935 the figure was 17,643,969 bushels.

## IMPORT DUTY AND CURRENCY SITUATION

By a federal decree of January 31, 1936, the Swiss import duty on wheat has been raised from 0.60 franc to 1 franc per 100 kilos (from \$0.19 to \$0.32 per 3.67 bushels). Since, however, this decree has up to date not become effective, the present duty remains at the old rate of 0.60 franc (\$0.19). There

are no currency transfer restrictions, and accordingly payments are made in a regular manner.

### FLOUR

There is the equivalent of a prohibition on the importation of flour into Switzerland. The market is reserved exclusively for Swiss millers by a government import monopoly. The "Loi Fédérale sur le Ravitaillement du Pays en Blé," which confers this authority on the Confederation, states that the Cereal Administration may authorize flour imports against the payment of a compensatory duty the amount of which is fixed by the Federal Council. There is also a proviso that industries which might require flour for purposes other than bread-making may be allowed exemption from this levy. In practice there are no imports of bread-making flour.

The domestic milling industry is given this monopoly vis-à-vis the government supervision to which it has to submit and the storing without charge of part of the state wheat reserves. Mention was made of these features in the preceding section of this report on the wheat trade regulations prevailing in Switzerland.

## MARKET FOR WHEAT IN CUBA

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

Havana, July 21, 1936.—The importation of wheat into Cuba, largely for the manufacture of "gofio," has increased in value from \$26,580 in 1932 to \$57,140 in 1935. Percentages credited to the various sources of supply in 1935 were: Argentina, 60; France, 19; United States, 12; Belgium, 6; Canada, 3. In the first quarter of 1936 imports were valued at \$14,602; Argentina had 38 per cent of the trade and Belgium 28 per cent.

### "GOFIO"

"Gofio" is roasted whole wheat or roasted maize ground into meal and sold to the public in packaged form under the trade mark of the roaster. The cereals are not mixed but are sold as wheat gofio and maize gofio under the Spanish names "Gofio de Trigo" and "Gofio de Maiz." "Gofio de Trigo" retails at from \$3.50 per 100 pounds in bulk to 7 cents per pound in small cartons. The husk or bran, which is removed by bolting, is sold as cattle feed. The consumption of gofio is greater during the cool months than in summer.

While Manitoba Northern No. 1 or No. 2 wheats are preferred, due to their special characteristics and quality, their cost is generally higher than for wheats from other sources. Soft winter wheat (red or white) or hard winter wheats are used provided they do not have too much bran. The price of No. 1 Northern, based on 92 cents per bushel Winnipeg, has been quoted recently at \$1.33 per bushel c.i.f. Havana. This c.i.f. price works out at about \$49 per metric ton as compared with \$50 per ton quoted by Argentine shippers. At the present time Argentine quotations are slightly higher than Canadian, but the tariff, which favours the southern republic to the extent of 40 cents per 100 kilograms, nullifies the advantage. However, as Cuban consular fees for Canadian merchandise were reduced recently to 2 per cent ad valorem, whereas they remain at 5 per cent for Argentina, there is an advantage of 3 per cent in this respect for Canadian shippers.

Wheat is dutiable as follows, per 100 kilograms: maximum tariff, 80 cents; minimum, 40 cents; tariff for the United States, 32 cents. Consular fees for the

United Kingdom, Canada, and the United States are 2 per cent ad valorem and for all other countries 5 per cent.

Shipments are made in car lots averaging 300 bags of 240 pounds each (72,000 pounds), with documents attached to sight draft.

(See Trade Inquiry No. 546, which appears on page 306 of this issue.)

## ECONOMIC CONDITIONS IN PANAMA

R. A. CAMERON, ASSISTANT TRADE COMMISSIONER

Panama, July 15, 1936.—The economic welfare of the Republic of Panama depends almost entirely upon so-called invisible sources of income. The Panama Canal has made possible a large and profitable tourist traffic providing revenue for the Government of Panama, and income to the country generally from expenditures made for services and goods by the large Americal naval, military and civilian protective and administrative population resident in the Canal Zone.

### IMPORTS AND EXPORTS

An examination of the foreign trade of Panama as reported for the calendar year 1935 illustrates the great importance to this country of these sources of income. The total foreign trade of Panama during the year 1935 was valued at U.S.\$19,931,303, of which imports for domestic consumption were valued at U.S.\$14,383,315 and exports, not including gold and bullion, were valued at U.S.\$3,253,770, resulting in an unfavourable balance of trade of U.S.\$11,129,544.

Since returns due to Panama from foreign investments or for services rendered abroad (other than in the Canal Zone) are negligible, it was necessary during 1935 to equalize the balance of payments by the realization of from U.S.\$8,000,000 to U.S.\$10,000,000 from tourist traffic and from residents of the Canal Zone. It may be concluded therefore that economic conditions in Panama and the volume of foreign merchandise imported from year to year are a direct reflection of the amount of money spent in Panama by tourists or acquired by Panama for services rendered or goods provided to the Canal Zone.

### TOURIST TRAFFIC

Although statistics are not available, it is reported that the tourist traffic to and across the Isthmus of Panama during the year 1935 was the largest since 1929, and as a direct result imports of foreign merchandise into Panama during the past year reached the highest total value of any year since 1930.

### EFFECT OF "FREE TRADE" TARIFF ACT

In order to attract tourists the Government enacted a so-called "free trade" tariff bill at the beginning of 1935, which in effect permits free entry into Panama of articles likely to be of interest to tourists and transients. As a result real and artificial silk goods, oriental rugs, antiques, Panama hats, and novelties of all kinds may be purchased in Panama at attractive prices, while duties generally are high on imported foodstuffs and other articles for domestic consumption by residents.

This adjustment of the Panama tariff with a view to increasing tourist trade has somewhat altered the direction of import trade. For instance, Japan's share of total imports into Panama during 1930 was 1 per cent as compared with 11.6 per cent for 1935, while the United States' share dropped from 61 per cent in 1930 to 53.3 per cent in 1935. The United Kingdom's share decreased from 9 per cent in 1930 to 6.8 per cent in 1935, while Canada's share increased from 0.04 per cent in 1930 to 0.08 per cent in 1935.

The percentage shown as of Canadian origin is not accurate, since Canadian products shipped to Panama from an American port are recorded in Panama statistics as of American origin. According to Panama statistics, imports into Panama from Canada during 1935 were valued at U.S.\$129,798 while Canadian statistics show total exports of Canadian products to Panama for the calendar year 1935 as Canadian \$294,831. However, even the Canadian statistics are not complete, because it is known that considerable quantities of Canadian goods are shipped to Panama out of bonded warehouses in New York, which in Canadian statistics probably are shown as exports to the United States.

#### IMPORT TRADE OF PANAMA IN 1935

The total value of imports into Panama during 1935, amounting to \$14,383,315, exceeds the total value of imports for any one of the past five years, 1930 to 1935. In addition to these importations for domestic consumption, foreign merchandise to the value of U.S.\$1,562,162 was imported into Panama during 1935 for re-export.

Imports into Panama from Canada in 1935 were valued at U.S.\$129,798 as compared with U.S.\$90,249 in 1934, an increase of U.S.\$39,548 or 43 per cent as compared with an increase of 6.4 per cent in the total value of imports from all countries in 1935. The percentage increase in imports of Canadian products in 1935 is considerably higher than the percentage increase of total imports from all countries, in spite of the fact that the past year marked the first complete year of operation of the new policy of the Canal Zone whereby supplies purchased by the United States Government are required to be as far as possible of American origin even if similar products from foreign sources of supply are considerably cheaper.

#### FLOUR

During the year Canadian flour millers continued to make progress in this market, total imports of Canadian flour in 1935 being valued at \$53,158 as compared with \$34,171 in 1934 and \$23,432 in 1933. Canadian flour is being handled by reliable and well-connected agents whose credit standing and reputation in the community is in almost every instance quite satisfactory. The United States continues to enjoy the largest share of the Panama flour trade. It is affirmed that the American flour sold here consists almost entirely of hard wheat flour milled in bond from Canadian wheat and subjected at the mills to some sort of "treatment." The bakers in this market are not accustomed to "working" their dough to any extent and their methods are haphazard and variable. The "treated" or "bromated" flour appears to give better baking results under these conditions than Canadian flour which is not treated.

#### AUSTRALIAN COMPETITION

At the beginning of 1935 three small shipments of Argentine flour were received in Panama, but repeat orders were not placed because of low quality, lack of uniformity, and unattractive prices. During the last six months of 1935 Australian soft wheat flour was imported into Panama for the first time, and total sales up to December 31, 1935, totalled 174 long tons.

It is quite possible that a continued disparity in prices between Australian and Canadian flour to the disadvantage of the latter may result in the importation and use to a greater extent by local bakers of soft wheat flour, even though the bakeries may now be said to be accustomed to the use of hard wheat flour. It seems probable that should Australian flour continue to find an increasing market in Panama, sales of Canadian flour may increase also because it may be necessary to import the stronger Canadian flour in increasing quantities to blend with and "carry" the weaker Australian product. At the moment, however,

Australian millers appear to be oversold and it is claimed that they are having some difficulty in making deliveries.

#### POTATOES

In the past the bulk of the potato requirements of both Panama and the Canal Zone have been imported. In July 1932, however, the Government of Panama in order to encourage domestic production, placed a tariff on potatoes of 10 cents per gross kilo, and as a result a substantial quantity offered on the local markets is now of domestic origin. There are two growing seasons each year, the first from the middle of November until the middle of February, and the second from April to June. The principal area of production is the District of Boquete, from which potatoes are shipped to Panama by boat.

There can be no doubt that the quality of the domestically grown potato is inferior to that of the imported, but the difference in quality is offset by the much higher price of the imported potatoes after they have paid duties.

In spite of the effort to grow sufficient potatoes to supply local and Canal Zone requirements, it was necessary in 1935 to import 174,632 sacks of 98 pounds; in 1934, 171,814 sacks were imported.

The principal market for potatoes is the Canal Zone. Early in 1935 the Canal Zone authorities decreed that all potatoes entering the Zone must come from the United States unless the American price was over 40 per cent in excess of that of the foreign product. As a result, all dealers in Panama prefer to buy in the United States so that any balance not sold in Panama may be disposed of in the Zone. Consequently, although Canada was credited with supplying 167,409 kilos in 1934, imports from that source fell to 6,645 kilos in 1935. Satisfactory seed is not produced in Panama, and therefore certified potato seed stock is on the duty-free list. As the domestic production of potatoes increases, there should be a growing market for certified seed of which Canada is supplying a substantial share.

#### CODFISH

The demand for codfish in Panama continues to increase, imports during 1935 totalling 406 long tons as compared with 359 long tons in 1934. This trade is largely in the hands of four reliable local firms who purchase most of their requirements through New York houses. Canada supplied approximately 80 per cent of the total imports of codfish into Panama in 1935 at an average price of \$22.50 per butt of 300 pounds net c.i.f. Panama City.

The Panama market demands a dry, fairly heavy, well-cured fish of good quality, medium size, headless but with fins. Small shipments are also received from Norway and the United Kingdom, and although the fish is smaller and less meaty than that shipped from Canada, it nevertheless finds some favour in certain quarters. Canada, however, enjoys the advantage of being close to this market and able to supply small but frequent shipments with less risk of spoilage.

#### BUILDERS' SUPPLIES

During the year there was a moderate but steadily increasing demand in Panama for builders' supplies of all kinds—lumber, cement, galvanized iron sheets, plumbing and electrical fixtures, etc.—all of which were imported. No statistics are available to show the extent of building activity on the Isthmus. It is safe to assume, however, that, aside from the Canal Zone, most building took place in the two cities of Colon and Panama. Records for Colon are not at hand, but the building permits issued for the last three years by the City of Panama were valued as follows: 1933, \$519,690; 1934, \$625,290; 1935, \$788,073.

Other commodities imported into Panama are shown in the following list. The actual volume imported from Canada is in no instance not available,

although it is known that in the case of newsprint Canada supplies the bulk of the imports recorded.

### *Imports into Panama During 1935 of Various Commodities*

Cement . . . . .	kilos	12,357,543	Cheese . . . . .	kilos	178,632
Lumber . . . . .	f.b.m.	7,619,943	Biscuits . . . . .	kilos	170,007
Evaporated milk . . . . .	kilos	1,507,455	Powdered milk . . . . .	kilos	65,950
Newsprint . . . . .	kilos	1,014,483	Canned salmon . . . . .	kilos	61,724
Butter . . . . .	kilos	803,263	Leather, all kinds . . . . .	kilos	35,150
Galvanized iron sheets (corrugated) . . . . .	kilos	429,572	Silk hosiery . . . . .	kilos	31,827
Galvanized iron sheets (flat)	kilos	395,533	Gin . . . . .	litres	29,696
Condensed milk . . . . .	kilos	353,065	Linoleum . . . . .	kilos	22,076
Auto tires . . . . .	kilos	320,953	Storage batteries . . . . .	kilos	20,023
Kraft (wrapping) paper . . . . .	kilos	309,482	Wearing apparel (silk) . . . . .	kilos	16,931
Sardines . . . . .	kilos	241,413	Cotton hosiery . . . . .	kilos	15,313
Whisky . . . . .	litres	183,591	Bond papers . . . . .	kilos	12,970

Canadian products imported into Panama during 1935 for the first time were as follows: condiments; malt (distiller's); onions (dried); ladies' and misses' dresses; ice boxes; porcelain ware; beer barrels; linoleum; Douglas fir piling; mattresses and pillows.

### PANAMA CANAL

In view of the importance of the operation of the Panama Canal in the economic life of the Republic, it is worth noting that the number of toll-paying ocean-going vessels which passed through the Canal during 1935 totalled 5,180. Total tolls paid amounted to \$23,339,238 as compared with 5,234 transits during 1934 and total tolls paid of \$24,065,703. Net revenues from the Canal in 1935 were U.S.\$14,519,506 as compared with U.S.\$16,810,348 in 1934, the lower 1935 figure being accounted for largely by higher employment costs arising out of the restoration, at the beginning of the year, of salaries which had been subject to deductions.

Cargo passing through the Canal indicates that world commerce made further gains in 1935. The tonnage for that year was 25,309,527 as compared with 24,704,009 in 1934 and 18,161,165 in 1933. The increase is significant as resulting from heavier movements of cargo from the Atlantic to the Pacific and a decrease in movements from the Pacific to the Atlantic. Passengers passing through the Canal totalled 120,906 in 1935 as compared with 101,934 in 1934, while passengers disembarking at Canal Zone ports in 1935 totalled 34,837 as compared with 28,828 in 1934.

## ECONOMIC SITUATION IN MEXICO

S. G. MacDONALD, ACTING TRADE COMMISSIONER

### III. Finance, Banking, and Insurance

#### STATE FINANCE

Mexico City, July 15, 1936.—The estimates for the republic in 1934 totalled 242·6 million pesos; revenues collected amounted to 295·3 million pesos, and expenditures to 263·7 million pesos. During 1935 the estimates were for 275·3 million pesos, and expenditures totalled 305·8 million pesos. Despite this apparent deficit all current payments due were up to date, debit balances from earlier fiscal years were cleared off, and 32½ million pesos were in the Treasury earmarked for urgent public works.

A very conservative method of estimating is employed in Mexico as is indicated by the following table for the ten months ending July 31, 1935:—

	Estimated Revenue	Actual Revenue
	Pesos	Pesos
Import duty . . . . .	52,690,695	54,113,747
Export duty . . . . .	2,870,035	9,922,770
Industrial tax . . . . .	51,947,309	58,170,221
Commercial tax . . . . .	7,784,558	10,795,290
Income tax . . . . .	19,172,166	35,390,490
Natural resources tax . . . . .	16,175,906	31,079,809

During the past three years the annual expenditure of the Department of the Federal District, the executive organ of the capital and its suburbs, has averaged 40 million pesos including grants to the Federal Government for education, hygiene (in 1936), and poor relief. In 1934 revenue and expenditure balanced, and in 1935 a credit balance of 1,300,000 pesos is stated to have been obtained. Vast sums have been expended during the past three years to beautify the capital in order to attract tourists, but the present administration is devoting a large proportion of its 1936 budget of 42½ million pesos for water, paving and other improvements in working class districts and suburbs. Considerable sums have been spent this year (1936) in combating sandstorms which cover the city in the spring with unhealthy alkali deposits, the police force is being increased, the expenditure on the construction of workmen's dwellings is greater, and an improvement in the water and drainage systems is being effected.

#### PUBLIC DEBT

No recent details of external debts are available. The last statement, which was issued in 1933, showed a total (calculated at par and interest) of approximately \$900,000,000. Some arrangements have been made for special claims (such as damage caused by revolutions) with several countries, but otherwise no further payments were made during 1935, nor will they be continued until internal conditions permit.

On December 31, 1935, the internal debt amounted to 124,578,468 pesos, a decrease of over 5,000,000 pesos during the year. It consisted of the following: agrarian bank debt, 13,971,815 pesos; banking debt, 9,864,346 pesos; 40-year internal public debt, 81,396,794 pesos; road bonds, 19,340,511 pesos.

With the exception of the agrarian debt, which increased some 575,000 pesos owing to non-payment of accrued interest, reductions in the debts were effected. The road bonds, the coupons of which are accepted in payment of taxes, as are those of the agrarian debt and the 40-year internal public debt bonds, were created chiefly for financing the construction of the Laredo-Mexico City highway and were limited to 20,000,000 pesos; they were authorized in March, 1934, and are secured on the Government's share of the petrol; 12,000,000 pesos were issued at intervals during 1934, one-third at 6 per cent to the public and the balance at 5 per cent to contractors; further issues of the 6 per cent series were made during 1935 and were subscribed to by local banks. Repayment of the 7,000,000 pesos loan by the three leading oil companies was to have been completed by March, 1936, but postponement has been made early this year until 1940.

#### LOANS

No issues were reported during 1935 or the previous year excepting the road bonds, but a new loan of 10 million pesos, road bonds, authorized late in December, 1935, has been largely taken up since the opening of the new year, as the Government was anxious to push the work on the Laredo highway in order that it might be entirely completed by July 1. Although not a Government loan in the strict sense of the term, the 6 per cent mortgage bonds of the Banco Hipotecario Urbano y de Obras Publicas, of which 10,000,000 pesos were sanctioned, are of that character as the bank is essentially a government institu-

tion. Of the 25,000,000 pesos Public Works (Mexico City) Bonds authorized by Congress in 1933, only 9,500,000 pesos were issued by the end of 1935, but it is expected that further allotments are to be placed on the market later in 1936.

### BANKING

When the world prices of silver threatened the monetary system in April, 1935, a new monetary law was issued which, while retaining a nominal gold unit of currency, made the notes of the Bank of Mexico legal tender and introduced certain coinage. The reserves were strengthened by the addition of:—

(a) The value of the silver content of the currency withdrawn from circulation, and

(b) the difference between the cost of the new fractional coinage and its monetary value, and the increased profits of the Banco de Mexico arising from its operations in connection with the higher value of its assets.

The bank charter was also amended to limit the volume of the note issue and fractional coinage to a maximum of double the commercial value of the monetary reserve. The new notes have not been printed over-abundantly as of December 31, 1935, the relative positions of notes and fractional coinage to monetary reserves were: notes in circulation, 300,177,000 pesos; fractional coinage, 44,123,000 pesos—a total of 344,300,000 pesos as compared with monetary reserve (gold, silver and foreign securities at their commercial value), 294,781,000 pesos.

All the British (including Canadian) banks had withdrawn from Mexico by the early part of 1935, and the only foreign ones operating are two, one German and the other from the United States. On the other hand, the number of Mexican banks supported by national capital is increasing, and many regional establishments have been organized to cater to the peculiar needs of certain industries and districts; not all of these, however, have met with success.

The National Bank of Agricultural Credit (which is reported to have suffered heavy losses) is now seconded by a similar organization under government support (National Bank of Agrarian Credit), especially created to care for agricultural needs; it receives 20 million pesos annually from the Federal Government. The Government, in its desire to assist various categories of working and professional classes, passed the Law of Popular Credit effective in February, 1935, under which a grant of 2,000,000 pesos was made for loans; it is believed in responsible circles that up to the end of the year 95 per cent of the loans made were repaid at the due dates.

Savings banks increased their business during 1935, and although only beginning business in 1933, the oldest had certificates to a value of 40 million pesos on its books at the turn of 1935. Bank deposits, which have been steadily rising since 1929 (at that time totalling 150 million pesos), amounted to 515.6 million pesos before the close of 1935. Of these, 299.6 were sight deposits in either the Banco de Mexico or other banks. Bank clearings in 1935 amounted to 2,111,725,024 pesos as compared with 2,004,436,602 pesos in 1934 and 2,078 million pesos in 1933. As banking facilities have steadily increased during the first half of 1936 this improvement is continuing. General loans and discounts by banks aggregated 380.4 million pesos at the end of October, 1935, loans guaranteed by pledges 82.8 million pesos, and mortgage loans 26 million pesos. The current discount rate is about  $7\frac{3}{4}$  per cent for first-class commercial paper, but business is done at rates varying from  $6\frac{1}{2}$  to even 12 per cent.

### PRICES

Since the middle of 1935 prices of foodstuffs, particularly meat, bread, butter, and sugar have risen steadily and at the turn of the year were from 10 to 20

per cent higher than at the end of 1934. This movement has been continuing, although less rapidly, during 1936. The interrelated effects of a considerable increase in wages and the results of money devaluation are regarded as the causes of this situation. The cost of living among agriculturists and unskilled labourers rose but slightly during 1935 owing to the nature of the foodstuffs used by these classes; but for others the index figures have advanced appreciably, and foreigners, as the chief consumers of imported merchandise, have been particularly affected.

#### INSURANCE

For a number of years English, Scottish, Canadian and other foreign institutions carried on a steadily increasing business in life, fire and other branches of insurance. During 1931 and early 1932 there was a downward trend in premiums; but subsequently a steady advance was reported. During the past several years the formation of local companies fostered by the Government resulted in official supervision and intervention which culminated in the passage of new laws (in August, 1935) relating to insurance institutions and contracts.

The principal features with which outside companies found it most difficult to comply were: the large increases of capital which had to be invested or deposited in Mexico, increased by the division of risks into eight classes; the refusal to permit foreign companies to retain more than 10 per cent of their declared Mexican capital on any single risk, or to reinsure abroad unless national companies were unwilling to do so. A further and important hindrance was the regulation for transforming agencies into branches independent of supervision from foreign headquarters.

Insurance companies following these regulations endeavoured to reach compromises with the Government, but all their representations were rejected, and on March 15, 1936, they ceased to operate. Of the two Canadian life insurance institutions in this country one had hitherto, early in 1935, turned over to the newly formed Government-controlled institution all policies not exceeding 10,000 U.S. dollars. Prior to this being done it is estimated that 300 million pesos of life insurance in all companies were in force, but this amount was reduced as several companies transferred many policies out of the country in anticipation of the new government regulations. The other of the two Canadian life insurance companies (following an agreement with the Government in April, 1936), by making certain investments in Mexico, has not entirely withdrawn from the field as the branch is still maintained for the old business, but no new insurance can be written.

[A report on exchange conditions in Mexico was published in last week's issue of the *Commercial Intelligence Journal*.]

### ECONOMIC CONDITIONS IN COLOMBIA

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama, July 15, 1936.—The feeling of optimism prevailing generally in Colombia at the end of the year 1935 has not been maintained, and on the whole conditions do not seem as favourable as they were six months ago. Several factors indicate that some of the ground gained towards economic recovery by the end of 1935 has been lost since, although the situation may change for the better during the last six months of this year after the usual summer dullness of trade has been passed.

#### FOREIGN TRADE

Total exports from Colombia during the first five months of 1936 were valued at 63,225,000 pesos as compared with 58,769,000 pesos during the same

period of 1935, an increase of 4,456,000 pesos; total imports during the first five months of 1936 were valued at 42,106,000 pesos as compared with 49,106,000 pesos during the same period of 1935, a decrease of 7,465,000. The visible favourable balance of trade of 9,198,000 pesos reported for the first five months of 1935 increased to 21,119,000 pesos for the same period of 1936.

It should be kept in mind, however, that an important percentage of the foreign exchange available from the proceeds of three leading items of Colombian export trade—petroleum, bananas, and platinum—remains abroad to the credit of foreign accounts. An estimated statement of the Colombian balance of payments at the close of the calendar year 1935 which made allowance for this fact resulted in the conversion of a reported favourable balance of trade of 35,939,000 pesos to an unfavourable balance of almost the same size.

Undoubtedly the favourable balance of trade reported for the first five months of 1936 is not actual, but should be regarded as crediting Colombia with the proceeds of exports which really do not return to the country and are not available for the purpose of balancing foreign payments.

### COFFEE

Coffee continues to account for more than half the total value of all Colombian exports, and probably, by comparing the total value of imports into Colombia during a given period with total exports of coffee for the same period, a more accurate picture of the Colombian position as to balance of payments is obtained. During the first five months of 1936 total exports of coffee from Colombia were valued at 34,918,000 pesos or 7,188,000 pesos less than the total value of all imports during the same period but 3,014,000 pesos more than total value of exports of coffee during the same five months of 1935.

This increase in the total value of coffee exports may be offset by lower figures for the month of June, since coffee consumption usually falls off considerably during the summer months. Moreover, there seems to be some resistance to higher prices on the part of American coffee roasters and prices are currently quoted at an average of 1 cent (United States currency) per pound less than they were at this time a year ago.

Coffee is of such importance to Colombian foreign trade that a disappointing demand coupled with falling prices usually reacts unfavourably upon business generally. The recent decision of Brazil to regard 25 per cent of the new crop as a sacrifice quota should relieve the coffee situation somewhat, but reports of a very large Colombian production from the Department of Antioquia, which will come on the market in October, are not encouraging in view of the recent lack of demand in consuming markets. It seems likely that the hoped-for rise in coffee prices will not take place before the autumn, and this fact has had a depressing effect upon the trade in Colombia, where growers recall that the increase in coffee prices last winter came after the bulk of their crop had been sold.

### AGRICULTURE

The cattle industry is in a healthy condition as a result of a satisfactory mid-year sale, when a total of 12,409 head were reported as having changed hands at a total price of 586,000 pesos. These figures are the highest on record for the past seven years, and cattle-raising is regarded as one of the most profitable of Colombia's agricultural activities. The prospect of Government assistance in the way of loans to encourage cotton production and satisfactory weather conditions to date seem to promise a cotton crop of good quality amounting to approximately 40,000 bales. The acreage under sugar cane is up slightly, and it is unlikely that importations of sugar will be necessary, while general cereal and vegetable crops soon to come on the market are reported as having benefited from almost ideal growing conditions.

## BANKING AND FINANCE

Clearing house returns showed a further decrease during the month of May; the total circulating medium of the country also decreased by approximately 2,000,000 pesos. Gold reserves as of May 31, 1936, were U.S.\$1,205,000 less than on April 30, 1936.

A decrease in importations has had a marked effect upon Government revenues derived from customs duties, which decreased from a total of 13,596,000 pesos during the first five months of 1935 to a total of 10,891,000 pesos during the same period of 1936. The Ministry of Finance has pointed out, however, that the decrease in revenues from customs duties will be offset by increased tax receipts from other sources. For the first five months of 1935 an excess of total government revenues over total government expenditures was reported amounting to 2,627,000 pesos, while for the same period of 1936 an excess of expenditures over revenues was reported amounting to 2,074,000 pesos.

## MINING

Gold production as reflected by purchases from the mines by the Banco de la Republica during the first five months of 1936 totalled 163,281 ounces as compared with 134,451 ounces for the same period of 1935. A recent decision of the Government, after receiving representations from the mine owners, not to place further financial burdens and restrictions upon mining companies for the time being has encouraged this growing industry.

[A report on exchange conditions in Colombia was published in the last issue of the *Commercial Intelligence Journal*.]

## MARKET FOR ASBESTOS PRODUCTS IN ARGENTINA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, July 16, 1936.—There are no asbestos deposits of commercial importance in Argentina. Such asbestos as is found here, particularly in the Province of Mendoza, is amphibole. Only very small deposits of chrysotile have been located and little or nothing has been done so far towards developing them.

The Argentine import duties on crude asbestos and on asbestos products are not adjusted to encourage a local industry, although something has been done recently in a small way in tiles and plain sheets. As practically all the requirements in asbestos products are imported in prepared form, the statistics of exports as given below include the magnesium content or, in the case of asbestos boards, the cement. For duty purposes most products containing asbestos are classified as such irrespective of the fact that they may contain in particular cases only 15 per cent or less of asbestos.

The following tables show imports of articles containing asbestos by countries for the years 1932 to 1935:—

Asbestos Board or Powder—	1932 Kilos	1933 Kilos	1934 Kilos	1935 Kilos
Germany.. . . .	13,452	31,013	19,998	26,759
Belgium.. . . .	5,859	9,398	7,483	38,078
Canada .. . . .	2,058	.....	27,442	18,882
Czechoslovakia.. . . .	231	1,632	436	6,135
United States .. . . .	75,415	111,995	254,642	264,557
France .. . . .	5,658	771	1,914	4,490
Italy .. . . .	6,795	4,783	1,780	4,486
Japan .. . . .	.....	1,056	180	.....
United Kingdom .. . . .	236,137	273,583	237,047	223,506
French possessions .. . . .	10,872	.....	1,060	.....
Total.. . . .	356,477	434,231	551,982	586,893

	1932 Kilos	1933 Kilos	1934 Kilos	1935 Kilos
Asbestos in Rolls, Packing, Cloth and Woven—				
Germany . . . . .	10,246	13,998	2,273	15,828
Austria . . . . .	341	10	3,810	4,329
Belgium . . . . .	131	5,700	5,702	7,891
Canada . . . . .	.....	276	8	1,037
United States . . . . .	6,946	11,429	18,569	37,750
France . . . . .	1,039	2,251	126	309
Italy . . . . .	3	1,694	102	637
United Kingdom . . . . .	49,026	76,197	71,001	164,965
Total . . . . .	67,732	111,555	101,591	232,746
Asbestos in Rolls, Packing, Cloth Woven with Metallic Cloth—				
Germany . . . . .	2,172	7,025	6,162	7,628
Belgium . . . . .	928	3,511	236	4,155
Canada . . . . .	786	1,047	2,215	452
Czechoslovakia . . . . .	.....	1,275	367	4,527
United States . . . . .	80,572	54,724	2,684	107,811
France . . . . .	317	435	74,062	66
Italy . . . . .	584	252	43	437
Japan . . . . .	.....	10,035	1	2,831
Holland . . . . .	11	7	4,279	23
United Kingdom . . . . .	29,669	34,799	34,002	35,213
Total . . . . .	115,039	113,110	124,021	163,143
Asbestos Packing—				
Germany . . . . .	9,509	8,805	5,179	19,504
Austria . . . . .	8,627	3,842	4,910	8,335
Belgium . . . . .	891	2,380	6,388	4,054
Canada . . . . .	5	7	18	80
United States . . . . .	12,573	10,604	19,464	17,629
France . . . . .	329	1,211	659	1,753
India . . . . .	.....	2,311	.....	.....
United Kingdom . . . . .	29,706	32,321	71,441	84,646
Total . . . . .	61,640	61,481	108,059	136,001

## DEMAND FOR ASBESTOS PRODUCTS

## BRAKE LINING

This is quite an important item, but the trade is in the hands of a few firms. The United Kingdom competes with United States firms, but the fact that the majority of the cars are of American origin favours the latter. Competition is keen and the lining is offered both in rolls and cut ready for use.

## ASBESTOS BOARDS AND TILES

There is an important trade both in corrugated roofing tiles and plain sheets mainly from Belgium, the United States, and the United Kingdom. The corrugated tiles are usually 50 inches by 38 inches and contain up to 50 per cent asbestos. The import duties on crude asbestos as against the made-up sheets do not give much protection to the local industry, but if the present rate on crude asbestos for industrial purposes were to be reduced it is believed that corrugated sheets could be manufactured locally to compete on a price basis with corrugated iron sheets. There is a very large consumption of corrugated iron sheets in Argentina, and prices are relatively high due to the fact that raw materials have to be imported, the galvanizing being done here.

Asbestos roofing paper competes here to some extent with all the well-known American brands of asphalt roofing paper. There is a very important trade in roofing paper for this market. The United Kingdom is the principal factor at present in the millboard trade.

## SHINGLES

Shingles are very little used in Argentina, so that there is practically no demand in this item.

## PIPE COVERINGS

The principal demand for pipe coverings comes from the larger meat packers and the oil companies. Apart from the state-owned oil company, purchases are made abroad through the head offices of the respective firms and not through local dealers. There is in addition a fair trade in pipe coverings for the ordinary trade as the sweating of pipes during the hot, humid summer months is a problem and, in addition, central heating is increasing.

## ASBESTOS PACKING

United Kingdom and American firms supply the greater part of the asbestos packing of all classes. This is obviously a difficult line to handle on account of the many types used except for the few larger firms specializing in the trade.

## ACOUSTICAL BOARD

Asbestos board has been little used for this purpose in Argentina as the fire regulations do not require its use in theatres. The wood fibre boards are more popular in this trade.

## ASBESTOS THREAD

There is a limited demand for asbestos thread for the electrical manufacturing industries. The rubber tire industry also buys a small quantity of asbestos.

## CRUDE ASBESTOS

In view of the limited demand for crude asbestos due to the absence of important manufacturing industries in this line, imports are small. Import statistics show only 1,874 kilograms that are likely to have been shipped from Rhodesia for 1935, and none from this source in previous years. Russia has not appeared so far as a factor in this trade.

## EXCHANGE REGULATIONS

There are no restrictions on the remittance of funds from Argentina, but Canadian exporters of asbestos products and American firms in certain asbestos lines as well have an exchange differential of 20 per cent against them as compared with the United Kingdom and the principal Continental competitors such as Belgium and Germany. Newsprint and farm implements absorb all the exchange at preferential rates available for Canada, and in view of this, competition would be difficult for the present.

**ARGENTINE CORN CROP, 1936: SECOND OFFICIAL ESTIMATE**

The Canadian Trade Commissioner at Buenos Aires writes under date July 16, 1936, that the second official estimate of the 1936 corn crop as issued by the Department of Agriculture places production at 381,090,921 bushels from 18,846,100 acres planted. However, it is estimated that 6,199,700 acres of the area originally planted was lost or used for pasture. The present estimate may be compared with the first official estimate of 379,245,000 bushels issued on March 20 and is 15.5 per cent below the large crop harvested in 1935, but 12.6 per cent above the last five-year average of 338,536,920 bushels.

Harvesting of the 1936 corn crop in Argentina began in March, but the heavy rains and humid weather experienced here in recent months has delayed the work and held up export shipments. Further, the average quality will probably be affected in some districts. Aggregate exports of corn from Argentina

to July 9 this year, despite the delay in shipments, amount to 129,553,140 bushels as compared with 127,177,315 bushels for the corresponding period of 1935, and only 111,294,377 bushels for this period in 1934. The delay in clearing the land of the corn crop has been a factor in preventing certain farmers from ploughing their corn ground in preparation for seeding wheat this year.

## TRADE OF TIENTSIN IN 1935

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

### III. Trade with Canada

As was the case in 1934, a substantial increase in Canada's sales to this port took place in 1935. The totals of imports and exports, expressed in Chinese Yuan or dollars, are contained in the following table. The average value of this monetary unit for 1935 and 1934 was respectively U.S.\$0.36 and U.S.\$0.33.

	1935	1934	Increase
Total trade . . . . .	3,258,728	2,717,014	541,714
Imports . . . . .	2,229,593 <sup>1</sup>	1,698,782 <sup>1</sup>	530,811
Exports . . . . .	1,029,135	1,018,232	10,903
Balance of trade . . . . .	+1,200,458	+ 680,550	519,908

<sup>1</sup> Converted from Chinese Customs gold units (the unit in which all import statistics are shown) into Yuan dollars at the above noted average rates for Yuan dollars and at U.S.\$0.68 and U.S.\$0.66 for the gold unit for 1935 and 1934 respectively.

Up to 1933 Canada had an unfavourable balance of trade with Tientsin, but this was wiped out by sharply increasing imports of Canadian goods into this port during 1934. In that year Canada's favourable balance amounted to more than 25 per cent of the total trade and to 40 per cent of the total imports from Canada. Similar progress was made in 1935, showing an increase in imports of 31 per cent. This was accomplished in the face of a large decrease in Tientsin's total imports, which was due to the disturbed political and economic situations prevailing, and to smuggling. Canada's favourable balance of trade almost doubled as compared to the previous year in spite of a small increase in Tientsin's exports to Canada.

On the whole, Canadian trade with North China, of which Tientsin's trade may be said to be representative, had a very successful year, practically all the lines already established having expanded in sales volume and many new lines having been introduced.

### EXPORTS TO CANADA

The following table shows the principal items, with their value expressed in Yuan, which formed a part of Tientsin's exports to Canada during the years 1935 and 1934:—

Commodity	1935	1934
Total . . . . .	1,029,135	1,018,232
Dressed goat skins . . . . .	12,700	3,800
Lamb skins . . . . .	4,274	39,065
Goat skins, mats and rugs . . . . .	3,597	.....
Skins, mats, and rugs, n.e.e. . . . .	121,111	56,906
Lamb skins, crosses . . . . .	2,750	.....
Beans and peas . . . . .	294	2,625
Walnut kernels . . . . .	732,526	796,383
Walnuts in shell . . . . .	41,327	25,976
Medicinal substances and spices . . . . .	1,324	2,424
Drawn-thread work . . . . .	1,110	378
Woollen carpets . . . . .	55,772	39,123
Brassware . . . . .	19,587	4,420
Metals and metallic products, n.e.e. . . . .	1,636	1,942
Earth, sand, stone, and manufactures . . . . .	7,497	6,297
Straw braid . . . . .	3,325	3,920
Curios and antiques . . . . .	6,729	1,645

As shown by the above table, walnut kernels was again by far the most important export item, as it was in the previous year. This item constituted 71 per cent of the total exports in 1935 as compared to 78 in the previous year. However, walnuts in shell rose in value slightly to offset somewhat the drop in value of the shelled article.

A notable rise occurred in the item of skins, mats, and rugs n.e.e., which more than doubled in value this year. The increases in woollen carpets and brassware were also noteworthy.

Heretofore a fair proportion of Canada's purchases of North China products has been made from stocks held by United States firms. This applies more to Eastern Canadian importers than to those on the Pacific Coast, as it is impossible to obtain even yet a through marine bill of lading to Eastern Canadian ports from Tientsin. Although the trade is undoubtedly handicapped to some extent by these conditions, there is still an increasing tendency, as noted last year, towards direct purchases of Tientsin's export products.

### IMPORTS

In previous years it was possible to tabulate every item which entered into Canada's exports to Tientsin and thereby to give an accurate picture of Canadian trade with this centre. However, there are this year so many new items which during the introductory period are and must be of small value that those below a value of gold units 1,000 have been omitted in the following table. (The values given are in Customs gold units of the average exchange values as given above for the two years concerned):—

Commodity	1935	1934
Total . . . . .	1,180,375	352,381
Textile products . . . . .	3,429	1,264
Metals and ores n.e.e. . . . .	19,227	9,188
Salted herrings . . . . .	4,558	6,146
Condensed milk . . . . .	7,110	6,245
Animal products and groceries n.e.e. . . . .	7,667	8,099
Wheat flour . . . . .	18,521	44,170
Cereals and flour n.e.e. . . . .	3,856	3,042
Medicinal substances and spices n.e.e. . . . .	7,594	1,398
Wines and spirits . . . . .	7,085	9,515
Sulphate of ammonia . . . . .	50,000	.....
Books and music . . . . .	1,055	370
Newsprint . . . . .	711,432	496,444
Wrapping paper . . . . .	1,282	2,033
Paper and paperware n.e.e. . . . .	9,987	567
Hides and leather n.e.e. . . . .	3,003	1
Timber, ordinary hardwood . . . . .	3,098	75
Timber, ordinary softwood . . . . .	169,367	152,327
Railway sleepers . . . . .	139,099	81,470
Timber and wood n.e.e. . . . .	1,499	1,922
Other articles . . . . .	11,504	28,305

### NOTES ON THE IMPORTS

As was predicted last year, Canada's imports into this port increased appreciably as compared to 1934 in spite of the decrease in the total imports which was expected at the beginning of 1935 and actually materialized. Newsprint, timber, and sulphate of ammonia are mainly responsible for the better showing for the year, although various smaller lines showed appreciable increases as well.

### TEXTILES

In textile products no noteworthy volume of trade is expected to develop as the competition in piece-goods from Japan, the United States, and Great Britain is too keen to warrant any hope of increased trade in this group at present Canadian price levels.

## METALS AND ORES

The metals and ores entry in the table was almost entirely composed of metals and ores n.e.e. valued at g.u.19,200 (g.u.9,188). This is almost wholly lead in pigs or bars, which is not separately classified in the trade statistics; but is known to have been imported in increasing quantities in the year under review. A gradual increase in the trade in this item can be anticipated in conformity with the industrial development of North China.

## SALTED HERRINGS

The direct import of salted herrings dropped off somewhat in 1935, due mainly to the competition from the Japanese, Korean, and Siberian article. However, a certain amount was brought up from Shanghai for local consumption. Canada's share of the total imports of this fish in 1935 was almost 50 per cent as compared to almost 52 per cent in 1934.

## CONDENSED MILK

Condensed milk rose slightly in total value, almost the whole of the imports being of the well-known brand from the Canadian factory of the large combine. Recently one independent brand was reintroduced to this market and a small but steady trade is expected to develop. Canada in 1935 supplied only about 4.5 per cent of the total imports of this article.

## ANIMAL PRODUCTS AND GROCERIES

The animal products and groceries item was composed mainly of macaroni, canned goods of various kinds, and hams and bacon. The first commodity was the most important one, and Canada is now the principal supplier of it to this market. The trade in canned vegetables is also expected to grow slowly against severe competition from the United States, but there is not much hope of obtaining any foothold with canned fruits. Because of high prices as compared to those for the locally cured article, the trade in hams and bacon is not expected to increase to worthwhile proportions.

## WHEAT FLOUR

The trade in wheat flour has been decreasing since the customs tariff duties were considerably increased on it early in 1934. The above imports were almost wholly of baker's patent grade, which continues to be used to a limited extent for the higher-class bread demanded by the foreign population in this centre. No appreciable decrease in this item is expected in future years, and with Canadian wheat prices more competitive in world markets as they have been in recent months, some increase in the total value imported may be expected. For the year under review Canada supplied only a little more than 3 per cent of the total imports of this commodity as compared to 19 per cent in 1934.

The cereals and flour n.e.e. entry was wholly feed oats imported for the use of the various racing stables in Tientsin.

## WHISKY

Rye whisky and, to a limited extent, Bourbon constitute wholly the wines and spirits entry in the table. The consumption has not decreased in spite of the lower figures, as some consignments were carried over from the previous year. This is one Canadian product which is now being smuggled into North China, and the figures for the present year are certain to show a noticeable decrease when published, although the actual consumption is likely to have increased.

## SULPHATE OF AMMONIA

The figures for sulphate of ammonia given above are not credited to Canada at all in the trade figures, but the amount stated is known to have been imported in 1935. The imports of this commodity from Canada are likely to show an increase of 100 per cent for 1936.

## NEWSPRINT

Newsprint is now the largest and most important item of Canadian trade with North China. Within the past three years it has grown from negligible proportions to its present commanding position. As compared to 1934, it increased in value by 43 per cent, although the total imports from all sources rose only from g.u.1,274,878 in 1934 to g.u.1,293,258 in 1935. Whereas the increase shown in 1934 was due mainly to larger imports, that in the present year is almost a direct displacement of the newsprint from other countries, Japan being the principal sufferer in this respect. Its importance as a Canadian export product is demonstrated by the fact that it represented 60 per cent of our total trade with this port in the year under review. The percentage shares of the total imports of the main supplying countries for 1935, with those for 1934 in parentheses, are as follows: Canada, 55 (39); Japan, 17 (47); United States, 9 (3.5); Sweden, 7.5 (2.3); and Norway, 4.6 (1.2). Some progress was also shown in wrapping paper and miscellaneous types of paper and paperware.

## HIDES AND LEATHER

The hides and leather item includes furs, and almost the whole of it is composed of untanned silver fox skins which, introduced early in 1935, have become increasingly popular in this market. This trade has increased during the first half of the present year, and it is expected that the total imports for 1936 will considerably exceed those given above.

## TIMBER

The various timber items also contributed well to the general increase. Softwood timber, mainly Douglas fir, increased by 11 per cent, and railway sleepers by 72 per cent, which were much the same rates of increase as those for the previous year. Of the total softwood timber imports for the year, Canada obtained 13.3 per cent, the United States 40 per cent, and Korea 8.6 per cent. The percentage shares of the sleeper imports were as follows: Canada, 26; United States, 58; and Siam, 16.

## WOOD OIL INDUSTRY OF CHINA

## I. Central China

## H. A. SCOTT, CANADIAN TRADE COMMISSIONER

Shanghai, June 15, 1936.—Tung oil has been used by the Chinese for centuries as an ingredient in lacquer varnishes for waterproofing wood, paper, and silk, and in a number of other native industries. Although tung oil was actually exported from this country in the latter half of the nineteenth century, the real growth of the industry on an export basis may be said to date back only as far as 1900, when the United States and European countries commenced to recognize the rapid-drying properties of this product.

The introduction of tung oil into the United States revolutionized the paint and varnish industry of that country when it was found that this particular type of oil could provide a harder and more waterproof film than linseed oil, with the result that the demand for tung oil among manufacturers of varnishes

and paints has steadily expanded, particularly since the war. In addition to its principal use in the manufacture of varnishes, among the other important uses found for tung oil are waterproofing electric wires for dynamos and motors, waterproofing electric cables and brake linings, in the production of linoleum and oilcloth, for making insulating compounds and printing inks. As a result of the steady expansion in the demand for wood oil in Western countries, this product has become one of the principal items in Chinese exports, and indeed took first place in the value of all Chinese products exported during 1935:

#### AREAS OF PRODUCTION

Wood oil, as tung oil is commonly known in foreign countries, is principally produced in the Upper Yangtze Valley in the Provinces of Szechuen and Hunan. The other chief sources of supply are Chekiang Province in Central China, and Kwangsi in South China. Apart from these districts there are several other areas of lesser importance. With the exception of Kwangsi in South China, broadly speaking it can be taken that the wood oil industry is a Central China trade.

Wood oil is obtained from the seeds of several species of tung trees, of which the most important commercially, as far as Central China is concerned, is the *Aleurites fordii*. The oil content of the best seeds produced in Szechuen and Hunan is said to average from 50 to 60 per cent, and the oil itself is usually obtained by two pressings, the first run being pale yellow in colour and the second inclining to a dark brown. In Central China it is understood that the oil from the two pressings is generally mixed together before shipping to the collecting centres.

The most important centre in China for collecting wood oil for export is Hankow, most of the output of the provinces of Szechuen, Hunan, Shensi, and Hupeh being brought to Hankow by junks or steamboats. After reaching Hankow the oil is dumped into deep tanks provided with steam coils, where it undergoes a settling process. When the oil has settled it is next pumped into lighters carrying 300 or more tons of oil, and transported down the Yangtze River to Shanghai for transshipment into the tanks of ocean liners.

#### SHANGHAI'S POSITION IN THE TRADE

In recent years considerable quantities of cleaned oil have been shipped direct to Shanghai from Wanh sien, on the upper reaches of the Yangtze, without transshipment at Hankow as a result of the establishment of steaming tanks at Wanh sien and improved shipping facilities from that port direct to Shanghai. During the summer months a certain amount of ocean tonnage goes up the Yangtze as far as Hankow and takes delivery of wood oil at that port instead of loading from lighters at Shanghai.

Shanghai, in addition to acting as a transshipping centre for the bulk of the wood oil from Hankow, is also the main receiving centre for this oil from the Province of Chekiang and for the small quantities available from Fukien and Anhwei. In addition to being a collecting centre for the regular quality of oil exported from this market, a certain amount of the oil brought into Shanghai from Chekiang is actually refined here by a simple filter process, and this oil usually commands a slight premium in price over the general run of oil exported from China.

Wood oil is mainly shipped to the United States market in bulk in vessels equipped with tanks with varying capacities of 300 to 600 tons. This traffic is mainly catered to by regular freight lines specializing in this class of business. Up until comparatively recent years shipments to Europe were made in wooden barrels or steel drums, but since 1926 most of the oil exported from Central China to Europe has been going in tanks. In the case of South China wood oil

it is understood that the business is still carried on in drums, and even in Central China shipments to small purchasers in both the United States and Europe are made in drums rather than tanks for the sake of convenience.

### VARIATIONS IN QUALITY

The quality of wood oil varies according to districts and seasons. Broadly speaking, the product obtained from the Wanhsien district in the Szechuen Province is lighter in colour than the oil produced in Hunan, of which the main producing centre is Changsha, where the oil is of a redder hue. Chekiang oil, on the other hand, is understood to be still lighter in colour than Szechuen oil.

### ANALYTICAL CONSTANTS

The average analytical constants of the wood oil exported from China, according to the statistics of the Hankow Bureau of Inspection and Testing of Commercial Commodities issued some years ago, fall within the following limits:—

Specific gravity (15.5°C) . . . . .	0.9410–0.9418
Acid number . . . . .	2.2–6.5
Refractive index (25°C) . . . . .	1.5164–1.5170
Iodine number . . . . .	165.2–166.9
Saponification number . . . . .	191–892.6
Heating test (A.S.T.M.) . . . . .	10–10½ min.
Worstall's test . . . . .	6 min. 26 sec.–7 min. 20 sec.

Among the factors influencing the efforts that have been made in recent years to improve the quality of China wood oil is the development of a tung oil industry in the United States and the consequent fear that the largest foreign market will become less and less dependent on China as a source of supply. It is understood that the tung oil industry in the United States owes its origin to the fact that the paint and varnish manufacturers of that country wished to lessen their dependence on supplies of wood oil from China owing to the uncertainty regarding quantities available from year to year and the wide fluctuations in price which have been a feature of this trade.

### EXPORT TRADE

Exports of wood oil from China according to quantities and values, and by chief importing countries, are given for the years 1933 to 1935 as follows:—

	1933		1934		1935	
	Quintals	Shanghai \$	Quintals	Shanghai \$	Quintals	Shanghai \$
Total . . . . .	754,081	30,261,269	652,836	26,216,683	738,865	41,582,879
Canada . . . . .	625	27,679	500	20,529	197	19,105
France . . . . .	22,453	975,137	31,849	1,341,143	31,154	1,778,769
Germany . . . . .	14,375	603,294	22,495	999,733	28,933	1,787,412
Great Britain . . . . .	45,881	1,850,368	31,309	1,323,477	36,551	2,117,974
Hongkong . . . . .	67,818	2,639,193	86,545	3,466,737	87,481	4,129,109
Netherlands . . . . .	41,140	1,587,027	31,061	1,308,311	20,607	1,261,417
United States . . . . .	531,671	21,356,160	410,390	16,203,956	491,999	28,057,248

The current value of the Shanghai dollar equals approximately Can.\$0.30. One quintal equals 220 pounds.

Taking the average of the last two years according to volume of exports, the port of Shanghai alone accounted for 83 per cent of the total exports from China proper. Apart from Chekiang oil, shipments from this port mainly consist of Hankow oil transhipped into ocean-going vessels at Shanghai.

### PRICES

According to one authority in the trade, a normal price for this product in recent years has been somewhere around \$40 to \$50 per picul (133 pounds) Shanghai currency (Can.\$12 to \$15), f.o.b. this port in lighters. During the

past months, however, prices have been fluctuating widely; for example, towards the end of April, 1935, quotations for the regular grade of oil exported from Hankow were around Shanghai \$39.75 f.o.b. Shanghai (Can.\$11.92). By August the price had gone to Shanghai \$48 (Can.\$14.40), and during September rose to Shanghai \$62 (Can.\$18.60). At the beginning of February this year offers were being made around Shanghai \$54 (Can.\$16.20), and during the current month an abnormal price of approximately Shanghai \$75 (Can.\$22.50) has been ruling, with quotations at times even higher. It is reported, however, that very little business has been passing recently at these figures, and there seems to be some anxiety that if the present high values are maintained for any undue length of time, consuming markets will react unfavourably.

#### CANADA'S POSITION IN THE TRADE

It will be noted from the statistics quoted earlier in this report that direct shipments of wood oil to Canada at present are of little importance, and as far as can be ascertained locally are confined to small lots exported in drums to British Columbian ports for consumers in Western Canada whose requirements are not large enough to warrant shipments in bulk in vessels equipped with tanks.

As an indication of Canada's actual consumption of wood oil, below are given imports as compiled by the Dominion Bureau of Statistics covering the three years ending March 31 from 1933 to 1935 respectively:—

		1933	1934	1935
Hongkong.. . . .	..Cwts.	.....	.....	105
	Can. \$	.....	.....	873
China .. . . .	..Cwts.	5,206	2,936	4,351
	Can. \$	2,942	10,035	34,994
Germany.. . . .	..Cwts.	.....	.....	13
	Can. \$	.....	.....	250
United States .. . . .	..Cwts.	29,390	40,559	48,918
	Can. \$	173,569	254,999	416,138
Total imports.. . . .	..Cwts.	34,596	43,495	53,387
	Can. \$	176,511	265,034	452,255

The above table shows that Canada's requirements are mainly supplied via the United States, and that imports have been steadily increasing.

As the heaviest consumption of wood oil is in the eastern part of the Dominion, any appreciable development in direct shipments would seem to depend on buyers arranging delivery of bulk oil in tank space via the Panama Canal, unless sufficiently low freight rates could be quoted overland from Vancouver to meet current ocean freight rates to United States ports plus the additional rail haulage into Canada.

One authority estimates that approximately 80 per cent of the sales of wood oil for export from Central China are effected in Hankow, where there are in the neighbourhood of ten recognized export houses engaged in this trade. There are, however, several well-established Shanghai firms identified with the Hankow oil business, and as far as Chekiang oil is concerned, this port is the chief marketing centre.

One Shanghai exporter recently interviewed expressed a willingness to consider direct sales to interested Canadian buyers, but stipulated that in order to make the business worth while, orders would have to be for minimum lots of 10 tons, and quantities as small as this would of course have to be shipped in drums containing approximately 400 pounds net weight of oil.

Any Canadian firms interested in establishing connections with Central China wood oil exporters are invited to communicate with the Canadian Trade Commissioner at Shanghai.

## II. South China

K. F. NOBLE, ACTING TRADE COMMISSIONER

Hongkong, June 15, 1936.—Wood oil, as the product is commonly known, is a fixed vegetable oil obtained by pressing the seeds of trees of the spurge family. Two distinct species of spurge, with wide and almost non-overlapping locale, are found in China, but the extracted oils from both species are closely similar in characteristics. The former of these, *Aleurites montana*, is indigenous to South China, and particularly to the Province of Kwangsi, though found to a lesser degree in the provinces of Fukien and Kwantung, while the latter, *Aleurites fordii*, is native to Hunan, Hupeh, Szechuan, Yunnan, and Kweichow. Wachow is the chief centre of production in South China.

### DRYING PROPERTIES

Wood oil is the most rapid of the known drying oils. "Cold pressed" oil when spread to paint thickness becomes completely dry and chemically inert within twenty-four hours. The drying rate can be increased by heat, and wood oil will become fixed and inert in thirty hours at 150 degrees C. or less, while at 289 degrees C. the change occurs in less than ten minutes. A curious characteristic of wood oil, and one which distinguishes it from other drying oils, is that the drying process proceeds throughout the coat uniformly rather than from the surface. Moreover, if the crude oil or varnish derivative be spread with reasonable uniformity, the surface dries flat, due to the separation of the mucilaginous and albuminous components.

South China wood oil has a yield from seed of 40-41 per cent; a specific gravity of 0.9360-432; a saponification value of 193; an iodine value of 150-165; and a refractive index of 1.5030-19C. Wood oil is composed principally of the glycerides of oleic and elaeomargaric acid, which comprise approximately 24 and 74 per cent respectively. The residual element is composed of saturated fatty acids.

### EXPORTS FROM HONGKONG

The outward movement of wood oil through Hongkong has been mounting, while with the completion of the Canton-Hankow Railway, which will make Hongkong the natural export point for much increased territory in China, must result in a huge expansion of the trade.

Hongkong's total exports of wood oil, in bulk and drums, amounted to 162,726 piculs (1 picul equals 133½ pounds) valued at HK\$3,917,587 during 1934, and 119,321 piculs valued at HK\$4,515,384 during 1935: United States (HK\$2,965,000), Germany (HK\$583,564), the United Kingdom (HK\$366,671), and Australia (HK\$284,707). (The average value of the Hongkong dollar in 1934 was U.S.38.2 cents, and in 1935 U.S.47.5 cents.)

The United States absorbed 61 per cent of the quantity and 66 per cent of the value of the total exports during 1935. There was a large increase in orders from British importers in that year, and German buyers were more active.

### GRADES

Although the trade recognize four qualities of wood oil, customarily designated as (1) Hankow, refined pale, best quality; (2) Hankow, semi-refined; (3) China, refined; and (4) China, semi-refined, none of the semi-refined grades are of export importance, while exports through Hongkong are exclusively of "China, refined." It is more frequently classified as "South China, refined" or alternatively "Hongkong wood oil."

## QUOTATIONS

There is no continuity of supply and quotations normally show a fairly wide fluctuation during the twelve-month period.

The following representative quotations on South China wood oil, which are f.o.b. Hongkong per picul (one picul equals  $133\frac{1}{2}$  pounds), will indicate the variations in quotations up to April, 1936:—

	Per Picul		Per Picul
January 1, 1935 .. . . .	HK\$24.50	January 1, 1936 .. . . .	HK\$49-52
April 1, 1935 .. . . .	32-34	April 1, 1936 .. . . .	58-61
July 1, 1935 .. . . .	33-35	April 21, 1936 .. . . .	71
October 1, 1935 .. . . .	60		

These quotations are in local dollars, whose value has fluctuated widely during the period. The equivalent prices in gold dollars f.o.b. Hongkong per ton of 2,000 pounds would be: G\$154.50; G\$230-245; G\$292-310; G\$450; G\$228-241; G\$278-292; G\$330.

Although shipments to the United States are on occasion in bulk tanks, the more practical handling is in drums. The standard size of drums allows an approximate net content of alternatively 400, 420—the more popular sizes—or 800 pounds, and of a gross weight of 445, 470, or 1,036 pounds.

For the purpose of calculating c.i.f. Canadian port prices, the non-contract freight rate on wood oil in drums is \$8 per ton of 2,000 pounds to Vancouver, and \$12 per ton of 2,240 pounds to Montreal.

Customary insurance is free of particular average, but covers leakage in excess of 3 per cent. Currently such cover is quoted at approximately  $\frac{5}{8}$  per cent.

## HONGKONG EXPORTERS

It has been found expedient to route the trade through the intermediary of exporters who are responsible for consolidation of shipments of comparable quality, for inspection, and who attend to the technical aspects of exportation, including documentation, freight space, insurance, etc.

A list of exporters engaged in the trade, with names, cable addresses, financial ratings by banking institutions, and references are available and may be obtained by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa.

## MARKET FOR SENEGA ROOT IN JAPAN

P. V. McLANE, ASSISTANT TRADE COMMISSIONER

(The average value of the yen in 1934 and 1935 was 29 cents Canadian funds)

Kobe, July 7, 1936.—For many years Japan has imported considerable quantities of senega root for use in the preparation of cough remedies. The growing use of substitutes in the last few years, however, has limited this business, imports amounting to only 32,039 pounds (30,944 yen) in 1935 as against 52,010 pounds (56,457 yen) in 1934.

The United States secured the largest share of the market in 1935—17,546 pounds (17,778 yen), some of which was probably of Canadian origin—followed by Canada with 12,224 pounds (10,821 yen). Ecuador came into the market for the first time in 1935 with 2,251 pounds (2,345 yen). Canadian senega root is well and favourably known to the trade.

The market for senega root is at present very dull; stocks from recent shipments are still in the hands of importers and are moving very slowly. This is not surprising, however, as the main buying season in the local market is from

November until March. At present the price Osaka buyers are prepared to pay is about 1.10 yen per pound (approximately 32½ cents Canadian). Although the use of substitutes will serve to keep prices down and also limit the market for this product for a few years to come, it should be worth cultivating by Canadian exporters.

Senega root enters Japan free of duty.

## PRELIMINARY SURVEY OF JAPANESE SALMON PACK, 1936

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, July 12, 1936.—Favoured with good fishing conditions, the catch of salmon to July 10, 1936, by the Nichiro Fishery Company and its subsidiary, the Taiheiyo Fishery Company, jointly showed excellent results when compared with those of 1935. The Nichiro Fishery Company's catch showed a small decline from last year's figures due to a smaller run of pinks and a controlled production due to large stocks either on consignment or warehoused in Japan. On the other hand, the catch of reds increased by more than 20 per cent with a like increase in the pack. The catch and pack of the Taiheiyo Fishery Company, which operates floating canneries on the high seas, showed a much better result than those of the parent company, as will be seen from the following tables:—

Catch—	Nichiro Fishery Company		Taiheiyo Fishery Company	
	1935	1936	1935	1936
	Figures in 1,000 Pieces			
Reds .. . . .	1,331	1,622	1,582	2,518
Pinks .. . . .	2,335	1,306	166	281
Chums .. . . .	984	1,266	1,739	2,236
Kings .. . . .	79	74	2	1
Silvers .. . . .	.....	.....	1	7
Other .. . . .	133	82	.....	.....
Total .. . . .	4,867	4,350	3,490	5,043
Pack—	Cases		Cases	
Reds .. . . .	56,637	90,712	92,354	154,441
Pinks .. . . .	14,390	2,571	20,282	10,816
Kings .. . . .	3,735	5,852	454	176
Silvers .. . . .	4	3	4	361
Total .. . . .	74,766	99,138	113,094	165,794

At the present time fishing is being carried on mainly off the east coast of Kamchatka, but it is expected that operations will start on the west coast of Kamchatka about the end of July. If fishing conditions off the west coast are as favourable as off the east coast, it is estimated that the 1936 Japanese pack will show a considerable increase over that of the previous year, particularly in so far as red salmon is concerned.

In addition to the above pack of salmon, the Nichiro Fishery Company has put up 21,349 cases of crab as against 13,403 cases during the same period of last year.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### Trade Agreement Between Canada and Brazil Extended

With reference to the notice in *Commercial Intelligence Journal* No. 1668 (January 18, 1936), page 137, concerning denunciation as from July 30 by the Government of Brazil of commercial arrangements concluded prior to January 1, 1934, an agreement has been concluded between the Canadian Government and the Brazilian Government continuing the existing commercial relations between Canada and Brazil. Under this arrangement Canada concedes Brazil her intermediate tariff in return for most-favoured-nation treatment in Brazil.

Since December 11, 1931, the Brazilian tariff system includes a general tariff and a minimum tariff, the general tariff being about one-fourth higher than the minimum tariff. There are also rates lower than minimum in consequence of Brazilian trade agreements with other countries, notably the agreement with the United States which reduced the duty on rubber tires, automobiles, spark plugs, rubber belting, patent leather, cements, paints, electric apparatus, soaps, oatmeal and rolled oats, milk powder, and canned salmon. The lowest rates in force are applicable to Canada under the trade agreement.

### **United Kingdom Tariff Changes**

The United Kingdom, by Additional Import Duties (No. 15) Order, effective July 11, 1936, increases the import duty payable on track-laying tractors to 33½ per cent ad valorem. Formerly these tractors were dutiable at 15 per cent ad valorem if for use in agriculture and at 20 per cent ad valorem if for special purposes—for example, public works. Parts of track-laying tractors remain dutiable at 15 per cent ad valorem.

Track-laying tractors and parts which are Canadian or British Empire products within the meaning of the Imperial preference regulations continue to enter duty free.

(Tractors for use on roads, being subject to motor car duty under the Finance Act, 1925, are outside the scope of the Import Duties Act, 1932, under which the above-mentioned rates are levied. The rate on such tractors is 33½ per cent ad valorem under the general tariff and 22½ per cent under the British preferential tariff, applicable to British Empire products.)

Under the Import Duties (Exemptions) (No. 5) Order, in force July 10, 1936, the item in the free list, "Rags, not pulled, wholly or partly of wool," is enlarged to read "Rags (including discarded collars, fronts, and cuffs of flax or cotton), not pulled, wholly or partly of flax, cotton, hemp, jute, ramie, wool, or hair, but excluding rags wholly or partly of furskin."

### **United Kingdom Duty on Iron Products**

The Import Duties Advisory Committee of the United Kingdom give notice that, in connection with applications for increasing the duty on steel wool and shavings and on decorative iron work, they are considering the question of increasing the duty on all manufactures wholly or partly of iron and steel which at present are liable only to the general ad valorem duty of 10 per cent, excepting ferro-alloys, hot rolled strip over 10 inches wide in coils weighing more than 3 cwts., and steel bulbs of the kind used in aerated water syphons.

### **Australian Content Requirements for Preference**

Notification has been received from Australia that "steel keys for lock sets" and "moulded glass knob tops for lock sets" have been added to the list of imported manufactured materials that may be used in Canada in the manufacture of goods for export to Australia, for which entry under the British preferential tariff is to be claimed on the qualification that the goods are "wholly" manufactured in Canada. (Other imported articles in this category, already permitted to be used in Canada in making goods that will be regarded in Australia as "wholly" of Canadian manufacture, are: full finished cold rolled steel sheets; hot rolled steel strip having rolled edges; tissue paper suitable for the manufacture of carbon paper; and hewn or rough sawn timber, but not including pine other than yellow pine, B and better, spruce, hemlock, Douglas fir, Western red cedar, maple, birch, basswood, poplar, or elm.)

### Australian Import Restrictions

With reference to the report appearing in *Commercial Intelligence Journal* No. 1687 (May 30, 1936), page 1047, regarding the Australian system of regulating the importation of certain goods by licence, notice has now been received that the importation of "explosives covered by tariff item 397E," also "fuse for mining purposes, and detonators," into Australia from any country other than the United Kingdom is prohibited except under licence from the Minister of Customs. Goods in transit to Australia on or before July 24 are exempt from this prohibition.

Item 397E of the Australian tariff reads "Explosives, not elsewhere included in the tariff." The articles under the heading "Explosives" that are separately named are cartridges, fireworks, fuse, sporting powder, wads for cartridges, percussion caps, detonators, empty cartridge cases, fuse cotton, and wads for cartridges. These named articles are not affected by the licensing requirement.

### Documentation for Ecuador: New Leaflet

A new leaflet dealing with the documentation requirements of Ecuador has been issued by the Department of Trade and Commerce, Ottawa. Interested Canadian firms may obtain a copy on application to the Department at Ottawa.

### Further Extension of Tariff Preference in Ceylon

With reference to the notice in *Commercial Intelligence Journal* No. 1674, February 29, 1936 (page 352), concerning the extension of the British preferential tariff in Ceylon, Mr. R. T. Young, Canadian Trade Commissioner, cables that the Ceylon Government by resolution passed on July 24 extends preferential tariff for a further six months ending January 31, 1937.

### Ratifications of Canada-Poland Commercial Convention Exchanged

With reference to the notice published in the *Commercial Intelligence Journal* No. 1641 (July 13, 1935), page 72, the Department of External Affairs, Ottawa, has been advised by the British Ambassador at Warsaw, Poland, that ratifications of the Canada-Poland Commercial Convention were exchanged on July 31, 1936. The Convention becomes effective fifteen days after exchange of ratifications.

### Import Licence Required to Obtain Colombia Consular Invoice

With reference to the article in last week's issue of the *Commercial Intelligence Journal*, pages 231-234, respecting the Colombian decree of July 6, 1936, necessitating presentation of a copy of the import licence to obtain the consular invoice, Mr. Alfredo Lozano-Agudelo, Consul General of Colombia in Montreal, gives the following information:—

All Canadian exporters are required to forward to a Colombian consul in Canada (country of origin) copies of the necessary import licence as indicated in the above-mentioned decree and to obtain from said functionary their consular invoices and certificates of origin for shipments to Colombia. Copies of these documents, duly legalized by the respective Colombian consulate, will be opportunely returned to each exporter together with the import licence. Shipments to Colombia routed through New York are subject to the same procedure. Canadian exporters, once in possession of their documents already legalized by a Colombian consul in Canada, need to forward same to the steamship company or shipping agent in New York, who in turn must present them to the Consulate-General of Colombia in that city, with the necessary copies of the bill of lading.

The above procedure for shipments to Colombia via New York does not represent any additional expense to the Canadian exporter, because no consular fee is charged for the legalization of these documents when presented and legalized during office hours. This fee is paid by the Colombian importer in Revenue Stamps at the Customs upon receipt of the merchandise.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 3

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending August 3, 1936, with the official bank rate. Quotations for the week ending July 27, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 27	Nominal Quotations in Montreal Week ending Aug. 3	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1886	\$ .1885	3½
Belgium . . . . .	Belga	.1001	.1686	.1686	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0414	.0414	3
Denmark . . . . .	Krone	.2680	.2241	.2239	3½
Finland . . . . .	Markka	.0252	.0221	.0221	4
France . . . . .	Franc	.0392	.0661	.0659	3
Germany . . . . .	Reichsmark	.2382	.4027	.4023	4
Great Britain . . . . .	Pound	4.8666	5.0175	5.0156	2
Greece . . . . .	Drachma	.0130	.0094	.0094	4
Holland . . . . .	Guilder	.4020	.6796	.6792	3
Hungary . . . . .	Pengo	.1749	.2948	.2955	4
Italy . . . . .	Lira	.0526	.0789	.0788	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0230	5
Norway . . . . .	Krone	.2680	.2521	.2520	3½
Poland . . . . .	Zloty	.1122	.1890	.1886	5
Portugal . . . . .	Escudo	.0442	.0455	.0456	4½
Roumania . . . . .	Leu	.0060	.0073	.0074	4½
Spain . . . . .	Peseta	.1930	.1369	.1363	5
Sweden . . . . .	Krona	.2680	.2587	.2586	2½
Switzerland . . . . .	Franc	.1930	.3270	.3263	2½
United States . . . . .	Dollar	1.0000	1.0000	1.0000	1½
Mexico . . . . .	Peso	.4985	.2776	.2776	4-5
Cuba . . . . .	Peso	1.0000	.9990	.9990	—
Guadeloupe . . . . .	Franc	.0392	.0661	.0659	—
Jamaica . . . . .	Pound	4.8666	5.0275	5.0256	—
Martinique . . . . .	Franc	.0392	.0661	.0659	—
Other British West Indies	Dollar	1.0138	1.0453	1.0450	—
Argentina . . . . .	Peso (Paper)	.4245	.3347	.3344	—
Brazil . . . . .	Milreis (Paper)	Unofficial	.2740	.2760	—
		.1196	.0848	.0846	—
		Unofficial	.0590	.0582	—
British Guiana . . . . .	Dollar	1.0138	1.0453	1.0450	—
Chile . . . . .	Peso	.1217	.0517	.0518	4½
		Unofficial	.0417	.0418	—
Colombia . . . . .	Peso	.9733	.5690	.5690	4
Peru . . . . .	Sol	.2800	.2487	.2500	—
Venezuela . . . . .	Bolivar	.1930	.2400	.2400	—
Uruguay . . . . .	Peso	1.0342	.7969	.7979	—
South Africa . . . . .	Pound	4.8666	5.0112	5.0093	—
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1500	5.1500	—
China (Shanghai) . . . . .	Dollar	.....	.3002	.2998	—
Hongkong . . . . .	Dollar	.....	.3155	.3119	—
India . . . . .	Ruppee	.3650	.3786	.3786	3
Japan . . . . .	Yen	.4985	.2929	.2932	3.29
Java . . . . .	Guilder	.4020	.6828	.6832	4
Siam . . . . .	Baht (Tical)	.4424	.4602	.4602	—
Straits Settlements . . . . .	Dollar	.5678	.5884	.5883	—
Australia . . . . .	Pound	4.8666	4.0140	4.0125	—
New Zealand . . . . .	Pound	4.8666	4.0460	4.0450	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Leading foreign exchanges fluctuated somewhat narrowly throughout the week ended August 1. Some recovery was recorded in the early days in gold "bloc" currencies, but these weakened later as the political unrest in Spain increased. Despite continued support, the Spanish peseta at Montreal moved down from 13.69 cents on July 27 to a nominal quotation of 13.64 on August 1. During the same period the French franc declined from 6.61 cents to 6.59 cents. The pound sterling advanced to \$5.019 on July 29, but had fallen to \$5.016 by August 1. A premium of 0.03 per cent was shown on the United States dollar on the 31st, but for the remainder of the week it was quoted at par.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.  
Portage la Prairie, Man.

St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Wheat.....	546	Havana, Cuba.....	Agency.
Flour (Wheat).....	547	Guayaquil, Ecuador.....	Agency.
Rolled Oats and Oatmeal.....	548	Bristol, England.....	Agency.
Honey (Liquid and Comb).....	549	Bristol, England.....	Agency.
Sardines in Tins.....	550	Guayaquil, Ecuador.....	Agency.
Canned Salmon.....	551	Guayaquil, Ecuador.....	Agency.
Canned Fish and Meats.....	552	Bristol, England.....	Agency.
Canned Fruits and Vegetables...	553	Bristol, England.....	Agency.
Fruit Products.....	554	Bristol, England.....	Agency.
Whisky.....	555	Guayaquil, Ecuador.....	Agency.
<b>Miscellaneous—</b>			
Feedstuffs.....	556	Bristol, England.....	Agency.
Dolls and Toys.....	557	Melbourne, Australia.....	Agency.
Bottle Caps.....	558	Harbin, Manchuria.....	Agency.
Wooden Pastry Boards and Rollers	559	Dublin, Irish Free State...	Purchase.
Light Building Hardware (Locks, Hinges, etc.).	560	Ciudad Trujillo, Dominican Republic.	Agency.
Air-conditioning Units.....	561	Batavia, Java.....	Purchase and Agency.

## MERGING OF SHIPPING SERVICES TO MEDITERRANEAN PORTS

The shipping services of the Canada-Mediterraneo Line and the Capo Line, serving the Mediterranean trade, have been merged as from August. These combined services will be maintained by the fast Italian mail steamers *Capo Olmo* and *Capo Lena*, and will be augmented from time to time as conditions warrant. The Montreal Shipping Company Limited, 123-124 Coristine Building, Montreal, are the agents for the combined lines.

## PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

### From Montreal

*To Liverpool.*—Duchess of Bedford, Aug. 11; Montcalm, Aug. 14; Montclare, Aug. 19; Duchess of York, Aug. 23; Duchess of Atholl, Aug. 28—all Canadian Pacific; Antonia, Aug. 14; Andania, Aug. 28—both Cunard-White Star Line.

*To London.*—Beaverford, Aug. 14; Beaverbrae, Aug. 21; Beaverdale, Aug. 28; Beaverburn, Sept. 4; Beaverhill, Sept. 11—all Canadian Pacific; Ascania, Aug. 14; Aurania, Aug. 21; Ausonia, Aug. 28; Alaunia, Sept. 4—all Cunard-White Star Line.

*To Manchester.*—Manchester Producer, Aug. 13; Manchester Commerce, Aug. 20; Manchester Division, Aug. 27; Manchester Regiment, Sept. 3; Manchester Citizen, Sept. 10; Manchester Port, Sept. 17—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Kastalia, Aug. 22; Dakotian, Sept. 9—both Cunard-Donaldson and Dominion Lines.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Aug. 26.

*To Cardiff, Bristol and Swansea.*—Bristol City, Aug. 13; Boston City, Aug. 31; New York City, Sept. 18—all Bristol City Line.

*To Glasgow.*—Airthria, Aug. 14; Athenia, Aug. 21; Sulairia, Aug. 28; Letitia, Sept. 4—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnglen (calls at Dundee), Aug. 20; Cainross, Sept. 3; Cairnesk (calls at Dundee), Sept. 17—all Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kyno, Aug. 25; Kelso, Sept. 18—both Ellerman's Wilson Line.

*To Dublin and Belfast.*—Fanad Head (cargo accepted for Londonderry and Cork), Head Line, Aug. 22.

*To Antwerp and Havre.*—Beaverbrae, Aug. 21; Beaverdale, Aug. 28; Beaverburn, Sept. 4; Beaverford, Sept. 18—all Canadian Pacific (do not call at Havre); Grey County, Aug. 25; Brant County, Sept. 3; Columbia, Sept. 19—all County Line.

*To Rotterdam.*—Kings County, Aug. 14; Alaska, Aug. 29; Hada County (calls at Dunkirk), Sept. 8—all County Line.

*To Hamburg.*—Beaverford, Canadian Pacific, Aug. 14; Hagen (calls at Bremen), Hamburg-America Line, Sept. 4.

*To Copenhagen, Gothenburg and Baltic Ports.*—Consul Corfitzon, Swedish-America-Mexico Line, Aug. 22.

*To Norwegian Ports.*—A steamer, Norwegian-America Line, September.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Navemar, Gardiaz Line, Aug. 17.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Lena, Aug. 25; Capo Olmo, Sept. 22—both Capo Line.

*To Marseilles, Genoa, Barcelona and Spanish Ports.*—A steamer, Canada-Mediterraneo Line, Aug. 25.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Belle Isle, Newfoundland-Canada SS. Co., Aug. 14; a steamer (does not call at St. Pierre), Aug. 22; Delia (calls at Trinity and Conception Bay ports), Aug. 27—both Shaw SS. Co. Ltd.

*To Cornerbrook, Nfld.*—North Voyageur, Aug. 10; New Northland, Aug. 17—both Clarke SS. Co.

*To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Chomedy, Aug. 20; Cornwallis, Sept. 3—both Canadian National.

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Cavalier (does not call at Hamilton or Nassau), Aug. 14; Lady Somers, Aug. 19; Cathcart (does not call at Hamilton or Nassau), Aug. 28—all Canadian National.*

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Flint II, Aug. 12; a steamer, Aug. 30—both Ocean Dominion SS. Corp.*

*To Brisbane, Sydney, Melbourne and Adelaide.—City of Wellington, Montreal Australia New Zealand Line, Aug. 29.*

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.—Canadian Highlander, Montreal Australia New Zealand Line, Aug. 25.*

*To Manila, Hongkong, Shanghai, Yokohama, and Dairen.—A steamer, Canada Far East Line, September.*

*To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, and Beira.—Mattawin, Elder Dempster Lines Ltd., Aug. 25.*

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.—City of Johannesburg, Aug. 12; City of Glasgow, Aug. 28; City of Salisbury, Sept. 12—all Ellerman & Bucknall SS. Co.*

*To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Prometheus, Aug. 15; Kota Pinang, Sept. 14—both Java-New York Line.*

*To Columbia, Ecuador, Peru and Chile.—A steamer, Canadian National, monthly.*

*To Montevideo and Buenos Aires.—Dagrun, Canada-South America Line, Aug. 15; Nyanza (calls at Santos but not at Montevideo), International Freightng Corp., Aug. 15.*

### From Quebec

*To Southampton.—Empress of Britain, Aug. 15 and 29; Empress of Australia, Sept. 3—both Canadian Pacific.*

### From Halifax

*To Liverpool.—Nova Scotia, Aug. 18; Newfoundland, Sept. 5—both Furness Line.*

*To London and Hamburg.—Cold Harbour (calls at Hull, Leith and Dundee), American Hampton Roads, Aug. 15.*

*To Copenhagen and Baltic Ports.—Batory (calls at Gdynia), Gdynia-America Line, Sept. 11.*

*To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Townsend, Aug. 10; Fort Amherst, Aug. 17—both Furness-Red Cross Line; Kongshaug, Newfoundland-Canada SS. Ltd., Aug. 10; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Aug. 12; Newfoundland (does not call at St. Pierre), Furness Line, Aug. 18.*

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Aug. 13; Lady Hawkins, Aug. 27; Lady Drake, Sept. 10—all Canadian National.*

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Flint II, Aug. 17; a steamer, Sept. 4—both Ocean Dominion Line.*

*To Santiago (Cuba) and Kingston (Jamaica).—Kirsten B, Aug. 12; Ciss, Aug. 26—both Pickford & Black Ltd.*

*To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.—Colborne, Aug. 10; Chomedy, Aug. 24; Cornwallis, Sept. 7—all Canadian National.*

*To Kingston (Jamaica) and Belize (British Honduras).—Cavalier, Aug. 17; Cathcart, Aug. 31—both Canadian National.*

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Cingalese Prince, Aug. 22; Silversandal, Aug. 29; Silverlarch, Sept. 5—all Silver-Prince Line.*

### From Saint John

*To Manchester.—Manchester Brigade, Manchester Line, Aug. 22.*

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, Aug. 19; Lady Drake, Sept. 2—both Canadian National.*

*To Kingston and Jamaican Outports.—Harboe Jensen, Aug. 14; Crawford Ellis, Aug. 21—both United Fruit Line.*

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.—City of Johannesburg, American and Indian Line, Aug. 28.*

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, Aug. 11; Hiye Maru, Aug. 29; Heian Maru, Sept. 12—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Canada (calls Honolulu), Aug. 22; Empress of Russia (calls Nagasaki), Sept. 5; Empress of Japan (calls Honolulu), Sept. 19—all Canadian Pacific; Talthybius, Aug. 30; Tyndareus, Sept. 27—both Blue Funnel Line (call at Miike but not at Manila).

*To Shanghai.*—Stonegate, Ocean Shipping Co. Ltd., Aug. 10.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Kota Agoeng, Aug. 31; Bintang, Sept. 30—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Niagara, Aug. 12; Aorangi, Sept. 9—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Bear, Aug. 15; Golden Cloud, Sept. 15—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Hauraki, Canadian-Australasian Line, Sept. 15.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—A steamer, Empire Shipping Co., August.

*To Sydney, Melbourne and Adelaide.*—Anglo Indian, August; Harmanteh, August-September; a steamer, September—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Damsterdyk (calls at Glasgow), Aug. 22; Lochgoil, Sept. 5; Delftdyk (calls at Glasgow), Sept. 19—all Holland-America Line.

*To London, Liverpool and Cardiff.*—A steamer, Reardon Smith Line, August.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., August.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—A steamer, Empire Shipping Co., August.

*To Scandinavian Ports.*—Buenos Aires, Aug. 10; Canada, Aug. 17; Axel Johnson, Aug. 27—all Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—A steamer, Empire Shipping Co., August.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—Brynje, Canadian Transport Co., August 17.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Manoeran, Sept. 5; Salawati, Sept. 8—both Silver-Java Pacific Line.

*To Cape Town, Algoa Bay, East London, Durban and Lourenco Marques.*—A steamer, South African Dispatch Line, August.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Hardanger, Aug. 21; Brandanger, Sept. 22—both Empire Shipping Co.

*To Puerto Colombia, Kingston and Tampico.*—A steamer, Gulf Pacific Mail Line Ltd., August.

### From New Westminster

*To London and Liverpool.*—Pacific Grove, Aug. 13; Pacific President, Aug. 20; Pacific Enterprise, Aug. 27—all Furness Line Ltd. (call at Glasgow and Manchester); Steel Engineer (calls at Avonmouth), B. W. Green & Son Ltd., Aug. 20; Damsterdyk (calls at Glasgow, Southampton and Rotterdam), Royal Mail Lines Ltd., Aug. 23; Abraham Lincoln (calls at Oslo), Aug. 25; Daldorch (does not call at Liverpool), Aug. 26—both Anglo-Canadian Shipping Co.

*To United Kingdom Ports.*—Dalhanna, Anglo-Canadian Shipping Co., Aug. 12.

*To Rotterdam, Antwerp and Ostend.*—Fermia, Ocean Shipping Co., Aug. 20.

*To Havre, Antwerp, Rotterdam, Dunkirk and Bordeaux.*—San Diego, Empire Shipping Co., Aug. 27.

*To Chinese Ports.*—Rio Dorado, Ocean Shipping Co., Aug. 20.

*To Yokohama, Kobe and Osaka.*—Hiye Maru, B. W. Greer & Son Ltd., Aug. 20.

*To South African Ports.*—King Lud, Canadian Transport Co., Aug. 20.

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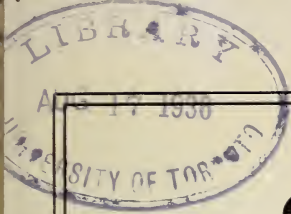
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# COMMERCIAL INTELLIGENCE JOURNAL

Vol. LV

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No. 1698



A Reaper-thresher of Canadian Manufacture in operation in an Argentine Wheat Field. There are more than 40,000 of these Machines now in use in Argentina.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LV

Ottawa, August 15, 1936

No. 1698

## AGRICULTURAL IMPLEMENTS: TRENDS IN CONSUMPTION COSTS TO THE FARMER AND METHODS OF DISTRIBUTION IN ARGENTINA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, June 30, 1936.—Argentina has an average of 48 million acres annually under cultivation in grain. Of this figure approximately 20 million is in wheat and 15 million acres in corn. The remaining 13 million acres is seeded to flax, barley, oats, and rye. There is an additional 14 million acres normally in alfalfa. This figure of 62 million acres represents 93·4 per cent of all the land under cultivation in Argentina and may be compared with an average of 59 million acres under field crops in Canada.

### SIZE OF FARMS AND CROPS

The cultivated area of Argentina is almost entirely confined to a compact section of the country which comprises an absolutely flat plain originally without a tree or shrub of any kind. The land consequently lends itself admirably to farming operations on a large scale. For the most part the individual farmer grows both wheat and flax on his farm. In the south and west wheat predominates with a smaller acreage on some farms in oats and barley. Many of the large farms in the south and west grow only wheat year after year, as there is not sufficient rainfall to be well suited to flax, and there is danger too of an early frost. In the central and northern section, wheat and flax are grown together and from year to year may be alternated with corn. Again, alfalfa is occasionally sown at the expiration of a lease and the farm held by the landlord for grazing.

The average operating farm unit in Argentina is between 328 acres for farms growing corn, to an average of 378 to 500 acres for wheat and flax farms. There are, however, more than 16,000 grain farms, representing 43 per cent of the entire acreage in grain, except corn, of more than 450 acres each, and of these 280 farm units have over 2,500 acres each. Of the latter group, the farms vary in size within very wide limits. Argentina is therefore a very large potential consumer of modern-type farm implements and machinery adapted to large-scale farming operations.

### PROTECTION TO LOCAL IMPLEMENT INDUSTRY

Argentina has not encouraged directly a domestic industry for the manufacture of farm implements. Prior to 1931 there was no duty on farm implements. A local industry of very modest proportions grew up without the aid of a protective tariff. It was on the basis, however, of offering the farmer a product of inferior quality to that of the imported article, but at some consider-

able saving to him in the original cost price. Price itself has a special appeal to consumers here.

In 1931 a general surcharge of 10 per cent was made applicable on all imports into Argentina. With the important exception, however, of the reaper-thresher, which now sells pretty much on an equal basis with the imported machine, the local manufacturing industry has continued since the application of the 10 per cent duty, which was not intended as a protective duty, along similar lines as previously without any marked increase in the volume of production. Any increase in production of the simpler lines, as small ploughs, stiff-tooth harrows, and land rollers, since 1931 is attributed in part to the stronger appeal to the farmer under economic conditions which have prevailed in recent years of a low-priced article, but mainly to the protection to local industry arising from the depreciation of the local currency and the consequent lower labour costs to manufacturers in Argentina.

#### LOCAL REAPER-THRESHERS

The most important development in the local industry has been the increasing number of reaper-threshers or combines produced. It is expected that 300 combines will be available for sale to farmers from local manufacturers during 1936, whereas aggregate sales of reaper-threshers are not expected to exceed 2,000 in number for this year. These reaper-threshers are assembled largely from imported parts, so that it is for the most part an assembly proposition rather than a manufacturing industry. This development in the reaper-thresher trade has been possible in competition with imported machines, apart from the measure of tariff protection, through lower labour costs on parts made here arising from currency depreciation and the fact that the leading foreign manufacturers are competing strongly with each other for the supply of other parts, including the motors.

Despite these developments, it may be said still that practically all the heavier machinery and implements, even including the reaper-threshers, are imported, and further they come almost exclusively from Canada and the United States. The United Kingdom has never been an important factor in this trade. The Argentine farmer has at his disposal, therefore, the types of equipment currently used in Canada, although particular implements may be adapted in size and detail to meet local conditions.

#### LOCAL PRODUCTION STATISTICS

None of the foreign manufacturers of farm implements has a factory in Argentina. Domestic production is in the hands of some twenty-one local firms, each operating on a relatively small scale and specializing mostly in one or a few types of implements. Local statistical returns on production in Argentina of implements of all kinds for sale to farmers value the aggregate output at \$2,000,000 (Canadian) for 1934. However, this figure includes many items as windmills, grinders, sprayers, wagons, etc., not connected with cultivating or harvesting operations. The figure does include 13 reaper-threshers, 5 cultivators, 8,866 walking ploughs, 87 sulky ploughs, 9,079 ploughshares, 4,242 harrow sections, and 2,400 steel eveners. The local industry competes in walking, sulky, and gang ploughs, but not in tractor ploughs. The steel is imported mostly from Belgium. The harrow teeth also come from Belgium.

Since local production has tended to increase somewhat during the past few years under the small duty, and stimulated further by lower labour costs as opposed to the consumption of imported implements of a competitive type, sales of which have of course been drastically curtailed, the production figure as given for 1934, apart from reaper-threshers, should fairly indicate the maximum importance of the industry and the degree of dependence of Argentina on foreign implement manufacturers.

## IMPORTS OF AGRICULTURAL IMPLEMENTS

The United States and Canada are credited with supplying 90 per cent of all the agricultural implements and machinery imported into Argentina from 1928 to 1934 inclusive. United States firms supplied 80 per cent as their share and Canadian firms slightly over 10 per cent. Germany was not an important factor in the aggregate trade, but is a competitor mainly in certain types of small ploughs and in ploughshares, and in parts for American- and Canadian-made implements and machines. The United Kingdom also sells a few implements, including ploughs, and when threshers were imported, was an important competitor of the United States in that line. Belgium supplies some parts, including harrow teeth, to local implement manufacturers, and in addition much of their steel requirements for ploughs. However, with these minor exceptions, it may be taken that the United States and Canada supply the Argentine farmer with his implements and machinery.

## PURCHASES FROM THE UNITED STATES AND CANADA

During the nine-year period from 1926 to 1934, Argentina spent \$75,532,000 (U.S.) in the United States for farm implements and machinery on an f.o.b. basis for use only in cultivation and harvesting operations. This figure does not include tractors for agricultural purposes, of which there are an estimated 15,000 on Argentine farms, mostly of American origin, nor tools, grinders, windmills, etc., but was made up of ploughs, harrows, cultivators, planters, drills and mowers, rakes, binders, combines, threshers, and corn shellers.

Canada supplied farm implements and machinery to Argentina for the corresponding period, 1926-34, to the amount of \$20,042,929. Consequently Argentina took farm equipment of the types mentioned above to an aggregate value of approximately \$95,575,700 (Canadian) over the nine-year period, or an average of slightly over \$10,000,000 annually. However, 82 per cent of the equivalent of approximately \$95,000,000 was expended in the United States and Canada during the four years 1926-29 and only slightly over \$16,000,000 during the subsequent five years. All the values given are on an f.o.b. basis, so that the ultimate cost to Argentina would be nearly double these amounts. Exports of farm implements from Canada to Argentina were valued at \$1,089,814 (Canadian) in 1935 as compared with \$607,639 in 1934, reflecting the somewhat improved condition of the agricultural industries in Argentina.

## TRACTORS VERSUS HORSES IN ARGENTINA

The introduction of the combine or reaper-thresher to Argentina in 1921-22 brought to the attention of farmers the possibilities of the tractor for general use here. There was no marked trend away from horses, however, until 1928-29, when relatively high grain prices made possible the sale of large numbers of tractors for use in agriculture. Further, the farmer could afford to purchase fuel for his tractor for general use during this period. In 1930-31 this trend was sharply reversed and probably 2,700 tractors were left unsold in the hands of dealers and had to be returned eventually to the manufacturers.

## NUMBER OF TRACTORS IN USE

At the present time it is estimated there are 15,000 tractors available for use on Argentine farms. Practically all of these tractors were purchased during the years prior to 1930. During the past five years most owners have continued to use them with their reaper-threshers, but few have been using tractors for ploughing or with other cultivating implements. Since there are 40,000 reaper-threshers in Argentina, it will be seen that more than half of them are still operated with horses.

The principal factor influencing the Argentine farmer in the adoption of tractors for general use is the low initial cost of horses and the relative cheapness of their feed due to the absence of winter conditions such as obtain in Canada. A great many of the domestic farm horses in Argentina are small, light animals of native breeds and they may be purchased currently at around 40 pesos per head (\$13 to \$15 Canadian). There are of course many better-type horses which now sell from 100 to 120 pesos. The average Argentine grain farmer on 500 acres would have from thirty-two to as many as fifty horses. The farmer seldom if ever breeds his own horses. They are bred by large land-owners. With the type of horse here, eight to ten are generally required for a 3-furrow 12-inch gang-plough and for other implements in proportion.

While the horses in some cases are able to feed on the roads, which are exceptionally wide in Argentina—they were made so originally to permit cattle to graze on the long trips to market—the tenant generally makes provision for pasture. In some cases the landlord allows the tenant a certain proportion of the land free of rent for this purpose. This type of contract, however, was more general when the land was rented almost exclusively on a cash rental basis. At present most tenants work on a share basis and furnish their own machinery, the trend from a cash rental system being attributed to the low grain prices in recent years.

A further factor favouring the use of horses as against tractors is that the time available for cultivating and harvesting are longer here in the case of the former, due to the absence of severe winter conditions. In addition, juvenile labour is available in most cases, and this too favours the horses.

#### COST OF FUEL FOR TRACTORS

The cost of fuel for tractors is relatively high in Argentina. Many of the tractors in use are fitted with a carburettor to permit the use of kerosene, but the latest types being offered have diesel engines. However, it is the high initial cost, particularly of the diesel tractor, which is one of the principal factors in limiting their use generally at present. A diesel tractor of the size necessary for Argentina costs the farmer currently 10,000 pesos as against 6,000 for the ordinary type converted to burn kerosene. These prices may be compared with 6,900 to 9,200 pesos, which the farmer has to pay for a reaper-thresher, and at wheat prices to the Argentine farmer on the 1934 basis of 1.14 peso per bushel, a diesel tractor would cost the equivalent of 8,770 bushels of wheat.

There is more interest being shown in tractors this year, but it is due mainly to the current high minimum prices being received for wheat and flaxseed. Whereas Argentina has just harvested the smallest crop in many years, the crop was uneven, and many farmers are in the fortunate position of having an excellent crop to sell at high prices. It is these farmers who are buying the tractors and reaper-threshers this year.

The current position is that the 15,000 old-type tractors on Argentine farms are being used for the most part for harvesting only, and the tractor owner still finds it cheaper to keep and use horses for cultivating purposes. Any increase in sales of tractors this year will be due to exceptional causes and for replacements.

#### FUTURE TREND

The future trend in the use of tractors for all purposes will depend largely on the possibility of a period of high prices for wheat in the future which will permit the farmer to make the large initial outlay necessary for purchase of a diesel tractor. If this should happen and the farmer is able to buy a tractor with low operating costs, it no doubt would be more widely used for general purposes. Otherwise, horses will continue to be used as at present, even in cases where the farmer already owns a tractor.

It may be added that a tractor owner now uses his tractor for ploughing sometimes to replace his horses for the middle one of the three shifts daily, the increase in efficiency being sufficient to offset the added cost on account of the excessive heat. This is done despite extra work in changing attachments, but only during a rush period.

#### VARIATION IN COST OF TRACTOR FUEL

The cost of fuel for tractors has varied little in recent years. Gas oil has been used to a considerable extent. Many tractors have a special carburettor which permits the use of kerosene, and they appear to be in demand now. There are in addition a few hundred diesel tractors in use and more will be sold this year. The diesel tractor, however, is not only expensive from the point of view of initial cost, but in many cases is not to be recommended on account of the type of labour available here.

Kerosene is sold throughout the country at all the towns in the grain districts at 0.636 peso per imperial gallon. The cost of gas oil and diesel oil varies as between selling points, but prices are given below based on the regular price list as offered by the leading company supplying this fuel, both wholesale at the principal points and retail at a selected list of the principal villages in the best wheat-growing districts. These prices are in effect as from April, 1936, and the retail prices are for sale on the basis of the farmer bringing his own drum.

#### Wholesale Prices for Fuel

Ports	Diesel Oil Gas Oil	
	Pesos per 1,000 Imp. Gallons	
Buenos Aires . . . . .	241	326
Santa Fé . . . . .	292	402
Bahia Blanca . . . . .	292	353
Rosario . . . . .	292	402
Zarate . . . . .	257	334

The above are the principal ports for the export of grain, and may be located on the map published in *Commercial Intelligence Journal* No. 1685 with the report on "Grain Farming in Argentina."

#### Retail Prices for Fuel Oil

Towns	Diesel Oil Gas Oil	
	Pesos per 1,000 Imp. Gallons	
Tres Arroyos . . . . .	395	475
Tandil . . . . .	375	494
Cordoba . . . . .	367	510
Junin . . . . .	363	464
Pergamino . . . . .	336	448
Necochea . . . . .	408	455
Olavarria . . . . .	355	501
Chacabuco . . . . .	355	467

These retail prices are selected from a very extensive list, and an average of 0.369 peso per imperial gallon for diesel oil and 0.476 peso per imperial gallon for gas oil may be taken as a fair indication of the price the average Argentine farmer is paying for his tractor fuel. The diesel oil offered is 137½ to 139 ounces per imperial gallon or 1,000 imperial gallons represent 8,650 pounds. The gas oil is 133 to 134½ ounces per gallon or 1,000 imperial gallons represent 8,375 pounds.

On the basis of 1934 wheat prices to the farmer of 1.14 peso per bushel, 1,000 gallons of diesel oil would cost the equivalent of 323 bushels of wheat and a similar quantity of gas oil 418 bushels, as compared with 558 bushels of wheat that could be exchanged for 1,000 imperial gallons of kerosene. There is no rebate on the regular tax paid on fuel oil for use in agriculture by the Government in Argentina.

### CULTIVATION OF THE LAND

Despite the system of land tenure, the Argentine farmer generally cultivates his land well. It is a two-crop country to the extent that land on which corn is planted in September and harvested in March or April is frequently sown to flax the following July or August. The flax is harvested in turn in November or December. Wheat may be sown in a similar manner in place of flax, although the latter is considered better in order to take advantage of the better condition of the soil after corn unless relative prices are the deciding factor, which is frequently the case. Further, if the wheat or flaxseed sown from May to June, or to August in the case of flax, is lost, corn can be planted in September. In this way the farmer has an alternative course to follow if necessary, dependent on either weather conditions or prices.

### TYPES OF IMPLEMENTS

The Argentine farmer apparently has not so far found it necessary to summer-fallow his land. He does, however, plough his land well each year. Few of the new-type "tiller combines" have sold so far, although in certain sections they are used exclusively for sowing oats and barley in February just after the wheat harvest as a forage crop. One-way discs are also used for this purpose, but not elsewhere in Argentina. The stiff-tooth cultivator is seldom used. The usual practice is to plough, later use a single- or double-disc harrow, sow with a single-run disc drill, frequently with a drag-harrow following, and in certain sections a roller or pulverizer is used later.

### PLOUGHS

As indicated previously, few tractors have been used in recent years in the cultivation of the land. The farmer here generally ploughs his land twice, once immediately after harvest and again before seeding. The usual ploughs on an average-sized farm at present are two gang ploughs 12 inches of three furrows each or two 14-inch ploughs of two furrows, drawn by eight to ten horses. The one-furrow 14-inch sulky plough is also fairly widely used. The two- and three-disc ploughs are sold in very small numbers.

During 1928-29 a large number of tractor ploughs were sold, either four-furrow 14-inch or five-furrow 12-inch, but these are seldom used now even when the farmer still has his tractor on the farm.

### DISC-HARROWS

The disc-harrow is widely used in Argentina. The average farmer now operates a 14- to 16-disc 18-inch tandem or 28- to 32-disc implement with horses. It requires eight horses. Single-disc harrows are still widely used, although the tandem-disc is now more popular. The larger sizes, 18-disc and 20-disc, 18-inch tandem or 36- to 40-disc implements, while there were many purchased for use with tractors, are frequently idle now although they are occasionally used with horses.

### SEED DRILLS

The usual drill used is a 16- to 24—usually the latter—single-run disc drill with eight to ten horses, unless a drag-harrow is attached to it. As in the case of the ploughs and the disc-harrows, the larger disc drills from the 28-run for tractors are very seldom used at present. Broadcast seeders, 14 feet, are used in small numbers. Fertilizers are not used in Argentina.

### CORN PLANTERS

The 3-row corn planter is generally used in Argentina. A very large number are required in view of the fact that 15,000,000 acres are planted to corn each year in Argentina.

## TREND IN SHIPMENTS

Since the United States and Canadian implement manufacturers experience practically no competition from other exporting countries in the larger types of cultivating implements, except ploughs other than those used with tractors, the following table will indicate the trend in shipments to Argentina:—

*Shipments of Cultivating Implements to Argentina from Canada and the United States*

	Ploughs <sup>1</sup> Units	Harrows <sup>1</sup> Units	Cultivators Horse and Power Units	Seed Drills Units	Planters Corn, etc. Units
1926 . . . . .	38,267	9,758	14,840	9,442	5,409
1927 . . . . .	31,233	8,461	4,619	11,916	370
1928 . . . . .	39,178	5,959	6,677	7,134	870
1929 . . . . .	75,671	23,092	18,195	13,696	4,626
1930 . . . . .	26,072	6,018	20,348	3,933	6,823
1931 . . . . .	4,532	311	1,577	141	696
1932 . . . . .	1,522	95	578	12	1
1933 . . . . .	2,012	31	273	50	107
1934 . . . . .	6,602	253	1,798	467	445
Average 9 years . . . . .	.....	5,997	7,656	5,199	2,149

<sup>1</sup> Includes only the United States.

Canada supplied 19,703 of all the cultivators included above and 5,207 of the seed drills, and in addition Canada furnished ploughs and parts to the value of \$4,256,764 during the nine-year period.

## HARVESTING MACHINERY

At one time Argentina attracted large numbers of immigrants who were brought all the way from Spain and Italy each year to work during the harvest time and returned again to Europe. The need for this transient labour, as in Canada, no longer exists.

It is estimated that from 65 to 80 per cent of all the wheat grown in Argentina is now harvested with the reaper-thresher. One of the best authorities here even estimates that from 80 to 90 per cent of the wheat is now cut and threshed in the field with reaper-threshers. That the estimate of 65 per cent is low is indicated by the fact that the consumption of binder twine in Argentina has decreased from an annual average of 9.2 million pounds for the years 1918-19-20, when the reaper-thresher had not yet been introduced here, to an annual average of only 3.7 million pounds for 1932-33-34, despite the increase in the acreage in grain to be harvested as between the two periods.

This decrease in twine consumption would reflect inversely a greater percentage increase in the use of reaper-threshers for the wheat crop, since it is the custom to use the "header" more widely here for flax than wheat, and a considerable proportion of the flax is grown in the northern section of the grain area where wheat is not grown to any extent.

## WHEAT CROP

The combine or reaper-thresher was first introduced to the Argentine wheat grower in 1921-22. During the intervening years to 1926, from 3,000 to 4,000 were sold annually, but it was not until 1928-29 that it can be said the reaper-thresher came into general use in Argentina. Since 1929 comparatively few machines have been sold on account of the low prices prevailing for wheat, but the reaper-thresher continues to be universally used, and it is conservatively estimated that there are now 40,000 to 45,000 machines for use on Argentine farms out of probably 56,000 that have been sold since 1921. Of the minimum

of 40,000 reaper-threshers in use in Argentina, probably 24,000 were manufactured in the United States, another 14,000 in Canada, and of the remainder nearly 1,000 were assembled by local firms; the rest are "Sunshine" machines from Australia and a few of various types from the United Kingdom.

The ordinary 8-foot binder has virtually disappeared in use in Argentina except in outlying districts and in a comparatively few sections where conditions are not suited to the reaper-thresher. The ordinary binder was displaced many years ago by the 12-foot "push harvester," which was of both the straight "header" type with only the elevator attachment for loading to wagons and the "header binder," which was more popular on account of the binder feature in districts particularly where coarse grains and flax are grown. The term "header binder" as used in Argentina really refers to a "push binder," so called of course, as the name implies, because the horses are hitched behind the machine. The machine is also adapted as a "header" by removing the binding attachment and adding an elevator instead. The trend from the "push harvester" or "header" to the combine or reaper-thresher began, as indicated, in 1921 and the reaper-thresher reached a peak in use which has extended, with little or no variation, from 1928 to the present.

#### NEW PRACTICE WITH THE "HEADER"

In recent years a new practice has developed to some extent, particularly in harvesting flax. A difficulty with the reaper-thresher in certain years and in particular sections here has been of course that the farmer could not cut his wheat quickly enough when in the proper condition with one machine. Since most farmers still own a "header" of either of the types already mentioned, the practice seems to be growing for a farmer on an average farm of 500 acres in wheat and flax to begin cutting with his "header" for the first few days or until probably one-third of the crop is cut, and then the remainder is finished with the reaper-thresher.

In the case of the ordinary header used for this purpose, the elevator is either removed or cut down as necessary only to place the grain in swaths a sufficient distance from the machine. For the header-binder, the binding attachment may be removed entirely. The grain is then left in swaths for the few days until cutting of the remainder is finished with the reaper-thresher. A picker attachment is then placed on the reaper-thresher and the section already cut with the header is gone over again and threshed from the swaths. It is expected that there will be some new headers purchased in the future for this purpose.

It may be added, however, that weather conditions in Argentina generally leave the farmer ample time for cutting his wheat. This year harvesting operations extended over a period of two months in some cases and very often, particularly in the south, the wheat bags as filled from the reaper-thresher are left for weeks lying among the stubble.

The reaper-thresher is therefore in universal use in Argentina for harvesting the wheat, although its work is now supplemented in a few cases by the old-type header. The machines are owned for the most part by the farmer himself, but there are as well quite a number that are owned by individuals or groups in the towns. The work is done in the latter case either on a contract or a hire basis. There has been no tendency away from the reaper-thresher in recent years. The utility of the reaper-thresher under Argentine conditions seems to be definitely established, but since the greater number of the machines at present in use were purchased during a period of relatively high prices for grain, it remains to be seen whether the Argentine wheat farmer will be in a financial position to replace his present machine in due course. In view of the high initial cost, a further prolonged period of low prices for wheat might place the farmer here in a difficult position from the point of view of production costs in harvesting his wheat.

## CORN CROP

Corn is grown in Argentina exclusively as a grain crop and for export. Corn binders are therefore not required. Labour costs are the principal element in harvesting the crop, and for this reason it has not been possible to reduce production costs to the same degree that has been possible with modern machinery in wheat.

A large number of corn shellers are imported from the United States and European countries. Canada is not an important factor in this trade. The small machines for hand or use with a small gasoline engine are both imported and made locally. The larger shellers are all made locally. It may be added that the corn is husked by hand labour in the field on a piece-work basis in Argentina.

## THRESHERS

Before the introduction of the reaper-thresher, the ordinary thresher operated with a steam locomotive and later a tractor was used, but this trade has now practically disappeared. Threshers used to be imported from the United States, Canada, and England. During 1927, which was the last important year as regards imports, the United States and Canada shipped 2,506 threshers to Argentina. Since 1930 only forty-two machines have come from these sources.

It may be added that the threshing machines were mostly owned either by the landlord or the local merchant in the town. The tenant's contract usually had a clause to the effect that he must use the landlord's equipment for threshing and in the case of the merchant, if he had credit outstanding with the tenant, a similar stipulation was made as in the case of the landlord.

## MOWING MACHINES

While Argentina has an average of 14,000,000 acres in alfalfa annually, it is used mainly for pasture in raising cattle and only a very small percentage is cut, mostly to meet seed requirements. This is confirmed in part by the fact that only a 4½-foot mower is sold. Similarly, there is a relatively limited sale for hay rakes and tedders.

## FLAX

The flax may be harvested with a reaper-thresher or by a header and later picked and threshed by the reaper-thresher. In a few cases it is still cut with the header-binder and stacked. Flax is grown for the seed only and not for use as fibre.

## IMPORTS OF HARVESTING MACHINERY

The United States and Canadian implement manufacturers experience little if any competition from other sources in the main types of harvesting machinery from other exporting countries. Consequently export figures of units shipped from Canada and the United States to Argentina give a quite accurate idea of the consumption here.

*Exports of Harvesting Machinery to Argentina from Canada and the United States*

	Reaper-threshers Units	Binders and Harvesters Units	Threshers <sup>1</sup> Units	Corn Shellers Units	Mowers Hay Units	Rakes and Tedders Units
1926 <sup>1</sup> . . . . .	3,637	5 857	2,506	6,698	4,045	3,244
1927 <sup>1</sup> . . . . .	3,097	3,682	925	3,828	3,991	3,362
1928 <sup>1</sup> . . . . .	4,082	3,123	1,459	9,976	5,736	5,003
1929 . . . . .	7,931	3,485	930	7,536	6,606	6,079
1930 . . . . .	2,936	295	38	4,008	4,199	3,300
1931 . . . . .	80	....	....	1,244	1,229	231
1932 . . . . .	164	6	....	3	22	....
1933 . . . . .	5	....	....	80	163	....
1934 . . . . .	493	....	4	277	136	32
Average 9 years..	2,392	1,827	....	3,739	2,904	2,361

<sup>1</sup> Includes only the United States.

Canada accounted for 5,398 of all the reaper-threshers shown for the period, 988 binders, 11,857 mowers, and 1,827 hay rakes and tedders. It may be added that a reaper-thresher from Canada was among the first offered in Argentina and many were therefore sold prior to 1926. It is estimated that 14,000 Canadian reaper-threshers are now in use here as compared with 24,000 from the United States. Both the 12- and 16-foot reaper-threshers are used in Argentina.

### SYSTEM OF DISTRIBUTION

The agricultural land in Argentina is owned almost entirely by a comparatively few landlords who individually have very large estates, in many cases exceeding 200,000 acres. The farmer has no bank credit available to him since the majority are necessarily tenants with no fixed assets on which credit could ordinarily be based. The landlord takes no part in financing the farmer. Whereas the tenant's lease must legally be for a minimum period of four years, it is frequently drawn to expire at the end of two years. In any case, the tenant moves frequently. His capital consists in most cases of only his farm implements and machinery and horses, since they are used in most cases even when a tractor is owned. The grain is delivered each year for cash or against previous advances to one of the local country merchants in his town.

The methods of distribution for farm implements in Argentina has evolved through three more or less distinct stages, although each overlaps the other in varying degrees. These stages may be described as follows:—

#### FIRST STAGE

Prior to the opening by the large foreign manufacturers of implements of their own branches in Argentina, sales were made in the ordinary way to large importers and wholesale firms in Buenos Aires. These importing firms, representing one manufacturer exclusively, in turn sold for cash or granted terms to country dealers throughout the grain districts.

The country dealers generally handled only one make of implements and were the sole contact between the manufacturer and the ultimate consumer. The country dealer as referred to in connection with implement sales is a general merchant handling not only farm implements but general merchandise, and particularly grain. The manufacturer frequently attached salesmen of his own to the staff of his exclusive importer for the purpose of giving technical instruction and calling on the country dealers, but not on the farmer. This method of distribution was followed exclusively prior to 1916, although comparatively few implements are now sold through these channels.

#### SECOND STAGE

The second stage was a continuation, and the logical outcome, of the first, the branch of the manufacturer replacing the organization of the exclusive importer. The first and largest American firm to change their methods of distribution here opened a branch in Argentina during 1916, and a Canadian manufacturer followed with a branch the next year. The establishment of local branches made feasible the carrying of larger stocks and improved the service of the manufacturers to the trade and to the farmer, increasing at the same time the credit risks to the manufacturer. The greater part of the farm implements sold in Argentina are now handled by local branches of manufacturers.

#### THIRD STAGE

As the exclusive importer was largely replaced by the branch in the late "twenties," so in the early "thirties" the country dealer began to lose ground

rapidly with the trend towards sales from the local branch of the manufacturer direct to the farmer, with only a limited intervention on the part of the dealer. The country dealer had been practically the only commercial contact of the farmer, but during the twenties, and particularly in 1928-29, when implement manufacturers were competing strongly with each other in face of the greatly increased demand for implements from the farmers, it was found that potential sales of individual manufacturers were limited by the fact that there were not a sufficient number of country dealers in most districts to represent all of them on an exclusive basis. The result was that manufacturers began to go direct to the farmer in districts where the firm could not get direct representation, and to promote sales gave the farmer part at least of the discount which formerly went to the country dealer.

The final blow to the country dealers as principals in the implement trade came with the crisis in 1930-31, when many of them were forced into bankruptcy. They were no longer in a position, nor did those that were left care, to finance implement sales to the farmer, so that gradually the new and present method of retail selling has evolved with the dealer acting mainly in the capacity of a commission agent, except for the small implements and parts which are still purchased by him on his own account for resale to the farmer.

#### PRESENT RETAIL SELLING PRACTICE

The failure of the country dealer to fulfill his function as the medium through which the farmer obtained credit for the purchase of his implements, necessarily transferred the credit risk to the manufacturers themselves. Since the dealer refused after 1930 to give any credit except to first-class risks which would be just as acceptable risks to the manufacturer, the dealer could not expect to collect his former commission. He was therefore reduced, as stated, to the status in most cases of an agent.

The large farm operator is classed for purpose of sales as a dealer and is given the usual dealer discounts. Apart from these sales, the greater part of the other reaper-threshers and tractors are now sold to the farmer with only at most a limited intervention on the part of a dealer. Very few reaper-threshers are now sold outright to a dealer for resale. Further, it is estimated that fully 70 per cent of all the other implements except small ploughs and harrows are sold either direct or through the dealer as an agent only.

The usual practice is for the manufacturer, on selling a particular implement to a farmer, if not a small implement sold on the present terms of 30 days, to take the farmer's note for the unpaid balance and a chattel mortgage. The legal procedure involved in repossessing a machine is involved, since it has to be sold by auction, but in practice legal action has seldom to be resorted to. The farmer only infrequently places difficulties in the way of the owner and, it may be added, public opinion is not a consideration in such proceedings. The note is then taken to the dealer in the nearest town, generally the dealer with whom the farmer usually trades, and he is asked to add his name in return for a commission of 5 per cent or less, as against his former margin of 15 to 20 per cent, except on reaper-threshers and binders, which was usually 8 per cent.

It would seem, therefore, that part at least of this difference in the dealer's margin is now being passed on to the farmer, although the ultimate benefits accruing to the farmer will depend on whether the manufacturer or the dealer proves to be in the better position to judge the credit risks.

#### FUNCTIONS OF COUNTRY DEALER

The services of the country dealer are retained by the implement firms under present conditions, mainly with a view to holding his goodwill and in

recognition generally of his past services and his possible utility in financing sales again in the future. It is not generally expected that legal action may eventually be taken against the dealer to collect in case of default in payments on the strength of his endorsement of the farmer's note. Such action would only be taken as a last resort, and further, the dealer knows that the manufacturer can repossess the implement. The present function of the dealer is to pass on to the manufacturer the names of prospective farmers interested in buying; to assist in making collections; to carry spare parts for which he pays cash, and to assist the manufacturer in repossessing implements. The assistance of the dealer in making collections is most important, since the farmer generally sells him his grain and the assurance that spare parts will be available is scarcely less important to the implement manufacturer.

### CARRYING OF STOCKS

The virtual elimination of the country dealer as a carrier of stocks, except small implements and parts, for the manufacturer is not so important here, since distances to the sea-coast are comparatively short in Argentina. The average distance from country rail points in the grain area to the corresponding seaports from which grain is exported is approximately 160 miles. The average haul for grain is very considerably less.

The manufacturer therefore is in a position to offer quite satisfactory service from the point of view of deliveries by having main depots at the ports of Buenos Aires, Bahia Blanca, and Rosario, but only a few depots in the interior and these at outlying points as Mendoza and Tucuman. The ports mentioned handle the greater part of the grain exports and are admirably located for distribution purposes, making it unnecessary for the manufacturer to open branch offices at interior points in the main grain producing zone.

### SELLING PRICES OF IMPLEMENTS

In view of the difference that exists as between the internal purchasing power of the peso in Argentina and the dollar in Canada, it would be altogether misleading to express prices of farm implements to the Argentine farmer in terms of dollars, which would be the equivalent of the pesos at current rates of exchange. However, it is possible to indicate the cost to the Argentine farmer of particular implements in a given year in terms of bushels of wheat, conversion being made at the average price received by the farmer for his wheat during that year.

The Argentine Department of Agriculture has calculated, based on averages taken by individual counties, that the average price paid to all Argentine farmers for their wheat, of the top grade delivered at his local rail point, was 1.14 peso per bushel in 1934, which would cover the 1933-34 wheat crop. This is the latest figure that has been issued. In this connection, it may be noted that the official minimum price fixed by the Argentine Government, and in effect from November, 1933, to December, 1935, was 1.56 peso per bushel. However, the 1.56 peso was for wheat delivered at the ports, which corresponds to an average of 1.23 peso at country points. Further, the Department of Agriculture estimated that the average cost of producing a bushel of wheat from the 1933-34 crop was 1.28 peso per bushel delivered at country rail points. In view of the close correspondence between the three figures cited—i.e., 1.14; 1.23; and 1.28 peso per bushel—or from 34 and 38 cents (Canadian) at current rates, it may be taken that the price of 1.14 peso, which the Argentine farmer received for his 1933-34 crop, was not considered unduly low by the authorities here irrespective of the fact that the official minimum price since December last increased for special reasons, is much higher.

## PRICES IN TERMS OF WHEAT AND ACREAGE

In the table following the price of 1.14 peso per bushel (approximately 38 cents Canadian) received by the farmer in 1934 at local country points has been used in calculating the number of bushels of wheat required to pay for each of the implements specified below in 1934. The average amount of land required to grow this quantity of wheat is arrived at by using the figure of 12.99 bushels, which was the average wheat yield of Argentina over the past 10-year period, although this cannot be taken of course to represent the position of a very large number of individual farmers.

It may be added that the average rent paid by farmers for land in all grain zones was 5.49 pesos (approximately \$1.63 Canadian) per acre or the equivalent of 4.8 bushels of wheat in 1933-34. Actually land is now rented for the most part on a share basis ranging from 17 per cent to as high as 35 per cent of the crop, according to productivity and location in relation to the railway, with the farmer furnishing machinery and horses. This distinction is important since nearly 85 per cent of all the land is worked on a rental basis in Argentina.

*Prices of Farm Implements to the Argentine Farmer*

	Selling Prices to Farmers			Equivalent of Prices, 1934 expressed in	
	1936	1935 Figures in Pesos	1934	1928	Wheat Bushels Land Acres
Harrow, 4 sec. d. bar. . . . .	108	108	101	75	88 6.7
Harrow, 6 sec. d. bar. . . . .	163	163	152	125	133 10.0
Mower, 4½ ft. . . . .	424	385	385	310	338 26.0
Gang-plough, 14 in., 2f. . . . .	518	518	482	380	422 32.4
D. drill 20 run, single . . . . .	948	948	903	710	792 60.9
Binder, 8 ft. complete . . . . .	1,270	1,270	1,270	1,020	1,114 85.7
Disc-harrow, 20 d. 20 in. . . . .	464	464	432	340	379 29.1
1 f. sulky plough . . . . .	290	290	264	245	231 17.7

While the figures cited do indicate the trend in prices to the Argentine farmer from 1928 to date, they must not be taken as showing changes in the dollar value of these imported implements, since the peso has been officially depreciated and is currently 20 per cent below the dollar. Despite the fact that the price of wheat was only around 1.59 peso per bushel in 1934 at the port here, as against 2.13 to as high as 3 pesos in 1928-29 on a comparable basis, depreciation in the local currency has been a factor in the price of farm implements, although it is of course impossible to indicate the trend in the actual cost to the farmer as between the two periods.

## DEPRECIATION AND DISCOUNTS

It is estimated that the depreciation factor alone has added 2,000 pesos to the cost of a reaper-thresher to the Argentine farmer. Reaper-threshers sell at present on the usual terms at a list price to the farmer of from 6,900 to 9,200 pesos, according to the model, for the 12- and 16-foot-cut machines. These figures at 1934 wheat prices would represent the equivalent of 6,050 and 8,070 bushels of wheat at country points. The prices given would be subject to a maximum discount of 8 per cent, which would be split with a dealer if the latter had intervened, and of course a further discount for cash. The usual cash discount is 5 per cent.

## OFFICIAL FIGURES ON IMPLEMENT PRICES

The trend in prices of farm implements over a period of years is again indicated in data prepared by the Department of Agriculture as one of the bases on which average costs of production of grain are estimated here. The results are shown below for the types of machinery which have been selected as being most universally used in Argentina. Further, this data covers the

most important wheat-producing zone in Argentina, the data for other zones varying only by reason of differences in freight rates and slight variations in the terms on which the machinery was purchased by the farmers as between districts.

*Average Prices for Farm Machinery, Argentina*

	1922-3	1928-9	1931-3	1932-3	1933-4	1934-5
	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos
Plough, 2-furrow . . . . .	390	325	375	370	350	375
Harrow, stiff tooth . . . . .	105	80	100	90	85	90
Harrow, disc . . . . .	780	270	360	330	275	300
Seed-drill . . . . .	780	570	720	635	700	700
Binder-header . . . . .	1,650	1,465	1,580	1,600	1,600	1,600

These official figures as given can only be taken as indicating the trend in prices of farm machinery. While machines of the same size are used each year as a basis for the calculations, it does not of course make any allowance for improvements in quality or otherwise in the machines from year to year. Further, these figures are not published by the authorities in the form as given above, but are adjusted to another variable factor showing the quantity or number of machines of these different types which the average farmer has from year to year. These two variables are used of course for the purpose of arriving at a figure which would show the average capital investment of the farmer in implements and machinery. However, this latter figure showing the quantity of machinery for different years would signify little in itself unless it could be correlated to the index showing the trend in the size of farms except as a basis for estimating costs of production.

SELLING TERMS

Previous to 1930, when the bulk of the implements and machinery were sold to the farmer through the country dealer, who purchased from the manufacturer and resold on his own account, an average commission of 15 per cent was granted the dealer with an additional 5 per cent on certain implements, and on larger machinery only 8 per cent as for example on a binder, with an additional 10 per cent in practically all cases for cash. The latter has since been reduced to 5 per cent. The general practice now is to give the farmer 10 per cent of the discount formerly going to the dealer and the latter only 5 per cent or less for the modified duties expected of him.

Reaper-threshers and tractors have always been sold for the most part direct to the farmer, and during 1928 and 1929, when very large numbers were being sold here but with high prices being paid for grain, it was possible to sell for cash. For example, if a reaper-thresher was sold after August for use in the harvest in November or December, some grain at least could be sold immediately and it was expected that final payment would be made on the machine by the end of January. When the crisis came, large stocks were held by the manufacturers here and longer terms were readily granted for a time. However, the present terms for reaper-threshers are payment within two years and in three instalments which covers here three wheat and two corn crops.

For a reaper-thresher sold in Argentina under present terms for use in the November-December wheat harvest, the first instalment is due on January 31 or immediately after harvest. If the farmer should happen to grow corn, this crop comes in in April. Therefore, before the January following, when the next payment falls due, there has been another wheat and one corn crop harvested. Similarly, another corn and wheat crop comes before the final payment in the third January, or nearly two and a half years from delivery of the machine.

It is difficult to give any indication of the terms dealers used to grant the farmer. It was altogether a matter of private arrangement, the farmer usually delivering wheat in payment. However, in recent years since the manufacturer

has been selling direct, practically all smaller implements are sold only for cash or a maximum of 30 days. A 5 per cent cash discount is usually given for payment within the 30 days. For heavier implements, as cultivators and drills, a maximum of 180 days is usually granted, but with no cash discount applying. However, it is estimated that over 70 per cent of implement sales are now for cash, apart, as stated, from reaper-threshers and tractors. The farmer is charged interest on his note at 5 per cent. Strong exception is taken here to high interest rates, but no doubt due allowance is made in the price.

#### CURRENT POSITION

It is difficult to offer any logical explanation for the fact that the Argentine farmer has been able to acquire the most modern machinery and equipment, which no doubt has been an important factor in the low existing costs of production for wheat in this country. On the great majority of the rented farms, which may be taken as representative of all farms in Argentina, a reaper-thresher which would cost the tenant currently around 6,900 to 9,200 pesos, or the equivalent at the minimum price of 5,260 bushels of wheat at 1934 prices may be seen—in many cases a tractor of the same approximate value, and if the farm is near one of the ports, a motor truck to deliver his grain direct to the elevator, besides his ploughs, discs and other implements including horses—all of which are in striking contrast with the ordinary amenities of life enjoyed by the farmer himself, as exemplified in the mud hut put up temporarily to serve during the usual brief tenure of his lease.

#### POSITION OF THE TENANT

It would seem almost that grain is produced by the tenant as an end in itself without any thought being given to the possibility of improving his standard of living. This situation must be attributed in a large part to the system of land tenure in Argentina under which the tenant has no hope of acquiring land, nor has any possible means of acquiring any other fixed assets as a permanent home. Further, the probability of any improvement in his position in the near future is not particularly hopeful, since there is no apparent pressure for a change in the system of land tenure incident to the breaking up of the large estates. This in turn is largely due to the lack of education, the difficulty if not the impossibility of providing educational facilities to the tenant farmers widely scattered on the large farm units, and the apparent lack of desire for an education on the part of the Southern European types which comprise practically all the tenant farmers in Argentina.

#### POLITICAL AND EDUCATIONAL FACTORS

From a political point of view, the tenants are very few in numbers as compared with the large urban population in Argentina, and their influence is limited to a corresponding degree at least, but modified still further by their lower educational standards. The tenant has never been a factor in the political situation and attempts at organization through the medium of co-operative societies have made little or no headway due to fear of exploitation. Again, lack of education is the main contributing cause, although too the association of the co-operatives such as do exist with local politics has tended to discredit and break them up in many cases. It is possible that the moving forces in many of the attempts towards co-operative action have been more selfish than altruistic.

#### CAPITAL LOSSES IN EQUIPMENT

The statistical data given elsewhere indicates, as would be expected, that the present mechanical equipment in the hands of the Argentine farmer, of which

the reaper-thresher is the important single unit, was acquired prior to 1930 or during a period of relatively high prices for grain, as compared with the immediate past five-year period. It has also been pointed out that prior to 1930 practically all the implements and machinery were sold to the Argentine farmer through country dealers who in turn had purchased them from the manufacturers or their distributors in Argentina.

Further, it has been shown that a very large number of these country dealers were forced into bankruptcy in 1930-31 either through losses on implements or in their dealings in grain when prices were falling, and that since then the dealer has not been an important factor in financing the implement trade. The logical assumption is that the capital lost by the dealers through granting credit, injudiciously or otherwise, during the period of expansion from 1927-29 is represented by reaper-threshers and other implements now in the hands of the Argentine farmer. No doubt the manufacturer also took his share of these losses.

It is of course impossible to give any indication of the extent to which these capital losses have helped the Argentine farmer, but there is no doubt that these losses have been in some degree a factor in placing Argentina in its present highly competitive position. A similar situation exists in other countries, but it would seem to be significant that the bulk of the machinery purchases made by the Argentine farmers during this period were reaper-threshers, the one machine under conditions such as obtain here which has done most towards reducing costs of production in Argentina.

#### EFFECT OF DEPRECIATION IN LAND VALUES

The financial position of the Argentine landowner whose property was heavily mortgaged to the banks and other organizations loaning on mortgages here, in the face of depreciated land values in recent years, might be favourable in itself towards a breaking up of many of the large estates. Those estates which are now in receivership are still administered in large units by appointees of the present mortgage holders. However, under a recent law establishing "The Institute for the Liquidation of Bank Investments," article 12 states that "in the case of properties suitable for colonization, the institute with the advice of the Department of Agriculture may arrange with the mortgage banks for the granting of colonization loans."

No immediate results may be expected from this source, and it seems doubtful whether the ultimate effects will be important. Certainly the vast majority of the tenant farmers themselves without outside assistance are not in a position to acquire land of their own. This aspect of the situation, however, together with the possibility of the tenant having difficulty in replacing his present equipment on favourable terms, would seem to indicate the most likely factors to affect the long-term competitive position of the Argentine farmer growing wheat.

It may also be pointed out in this connection that throughout the main cultivated area of Argentina the farmer has three crops, wheat, corn, and flax, which may be produced alternatively from year to year or for wheat and flax versus corn in the same year, as relative prices may dictate. The acreage in corn has been increasing steadily over the past ten years. It is impossible to indicate whether or not this fact has been of any importance in preventing the acreage in wheat from going above even its present high level. In any case, if the export demand for Argentine corn continues to expand as it has during the past ten years, it cannot do otherwise than help.

## ARGENTINE GRAIN ELEVATORS

Mr. J. A. Strong, Canadian Trade Commissioner in Buenos Aires, writes that the Argentine Government through the *Comision Nacional de Elevadoras de Granos* (National Grain Elevator Commission), a section of the Department of Agriculture, called for tenders on July 29 for the construction of a second group of five terminal grain elevators, offers to close in six months. This is the second call for tenders under the official program which covers the construction of 15 terminal and 321 country elevators. The first call for tenders was made on April 20 of this year, covering the construction of six terminal elevators; offers will close on October 20, 1936. Some 39 local and foreign contractors have already purchased copies of the plans and specifications covering the first six terminals. The cost of the complete plans and specifications is 250 pesos (approximately \$70 Canadian) for each elevator. A copy will be available for inspection at the office of the Consul General of Argentina at Ottawa. For details on the present construction program refer to a report on "Grain Farming in Argentina" published in *Commercial Intelligence Journal* Nos. 1685 and 1686 (May 12 and 19, 1936).

## INDUSTRIAL AND SOCIAL LEGISLATION IN NEW ZEALAND

H. L. E. PRIESTMAN, ASSISTANT TRADE COMMISSIONER

Auckland, New Zealand, July 3, 1936.—Legislative enactments in New Zealand designed for the protection of the wage earner and the amelioration of social conditions have generally been many years in advance of other countries. Historically, there is evidence that the New Zealand code of 1894 for the peaceful settlement of industrial disputes by conciliation and arbitration has been the model for codes adopted only in recent years in other parts of the world.

Numerous other examples of early state legislation affecting labour and social conditions could be cited, such as the co-operative system of construction of public works adopted in 1891, now followed in modified form, and the Old-age Pensions Act of 1898, providing pensions on a non-contributive basis for persons attaining 65 years of age, with 25 years' residence in the country, which is still in force on a substantially increased scale.

### ADVANCES TO SETTLERS AND TO HOME OWNERS

In 1894 the Advances to Settlers Act was framed, providing for loans to settlers on the land with the object of assisting the poorer classes to acquire rural holdings. The importance of that legislation may be judged by the 29,075 loans still outstanding in 1935, totalling £22,520,021. A system of advances to workers, instituted in 1906, for the purpose of acquiring or building houses for wage-earners is on somewhat similar lines to the scheme of advances to settlers. The net amount of advances to workers at March 31, 1935, was £14,302,257, secured on some 22,709 urban or suburban properties. In addition, there are many other enactments primarily affecting labour and persons in those walks of life who would be chiefly benefited by social legislation.

### EARLY LEGISLATION AFFECTING LABOUR

The basic legislation affecting labour was the original Industrial Conciliation and Arbitration Act of 1894. Revisions had taken place from time to time, until in 1932 the law was drastically amended to accord with conditions arising from the economic difficulties which the country was experiencing. Briefly, compulsory instead of voluntary conciliation and voluntary arbitration among unions regis-

tered were made the keynote in 1932. Furthermore, provision was made for revision of existing awards of the Arbitration Court, and if conciliation proceedings broke down, awards were to lapse, except in the case of female workers, thirty days thereafter. This resulted in the review and lapse of many awards, and had been preceded by compulsory reduction in all award wages, based on general orders of the Arbitration Court.

### THREE PRINCIPAL MEASURES

Feeling that complete alteration of conditions had been achieved, the New Zealand Government which took office in November, 1935, introduced at the first session of Parliament in 1936 three principal measures, which were passed in June, and which alter the industrial laws so considerably that some review of the legislation is warranted. The three measures are the Industrial Conciliation and Arbitration Act, 1936; the Factories Amendment Act, 1936; and the Shops and Offices Amendment Act, 1936. The major change in the first two Acts is the adoption of the 40-hour week.

### INDUSTRIAL CONCILIATION AND ARBITRATION ACT, 1936

The Industrial Conciliation and Arbitration Act, 1925, is the principal Act, to which the 1936 Act of similar title is an amendment. With the exception of clauses dealing with the introduction of the 40-hour week, which in the case of the first two Acts mentioned above comes into operation on September 1, 1936, the Industrial Conciliation and Arbitration Amendment Act, 1936, became law on June 8. The Factories Amendment Act, and the Shops and Offices Amendment Act, with the exception of the clauses mentioned, came into force on July 1.

### ARBITRATION COURT PROCEDURE

An important new provision in the Industrial Conciliation and Arbitration Amendment Act is that the Arbitration Court shall, within three months after commencement of the operations of the Act on June 8, make a general order fixing a basic rate of wages for adult male and female workers in the industries covered by awards and agreements, the basic rate for males being "such a rate as would, in the opinion of the Court, be sufficient to enable a man to maintain a wife and three children in a fair and reasonable standard of comfort." These rates are to be reviewed by the Court at intervals of not less than six months, and are to be based on the general economic and financial conditions then affecting trade and industry in New Zealand, the cost of living, and any fluctuations therein since the last order. Only in special cases may an adult male or female worker receive a permit to accept a wage less than the basic rate of wages for male or female workers.

### FORMATION AND REGISTRATION OF UNIONS

A number of sections of the Act deal with the formation and registration of unions of employers or of workers, the apparent aim being to ensure that unions be representative of their industry in component members, and Dominion-wide rather than local in scope. Further sections provide that where settlement of an industrial dispute is effected by a Council of Conciliation, the terms of settlement are to be embodied in an industrial agreement, to which the Arbitration Court may within one month grant or refuse total or partial exemption.

### CONCILIATION COUNCIL

Another very important amendment covers the restoration to the Arbitration Court of its former jurisdiction in relation to industrial disputes. The clauses

provide that if a settlement of a dispute is not arrived at in Conciliation Council by mutual agreement, the right of parties to have disputes referred to the Arbitration Court for settlement is restored.

In cases where a settlement is not arrived at in Conciliation Council, but the Council makes a recommendation for settlement, then, provided no notice of disagreement is filed by either party, the recommendation of Conciliation Council becomes enforceable as an industrial agreement.

#### RESTRICTION OF EMPLOYMENT

All workers who are subject to any award or industrial agreement must be members of a union, and it is unlawful for an employer to continue to employ in any industry to which an award relates any adult person not a member of a trade union. The only exemptions are in cases of persons debarred from membership by reason of limitations of unions with fixed maximum membership that may not be exceeded, and when no member of such union is available and ready and willing to perform the particular work. Non-unionists may otherwise be employed only when no member of the appropriate union is available.

The Arbitration Court may confer on union officials rights of entry on employers' premises at all reasonable times, to interview workers but not so as to interfere unreasonably with the employers' business.

#### HOURS OF LABOUR AND WAGES

Except where deemed impracticable, new awards shall fix working hours (exclusive of overtime) at not more than 40 hours per week. The Court shall indicate in each case the grounds which in its opinion made impracticable the fixing of the maximum at 40 hours.

The existing ordinary rate of weekly wages shall not be reduced by reason of reduction in number of working hours. Saturday work is to be eliminated where practicable.

In instances where the Arbitration Court decides that the forty-hour week is impracticable, it may amend the existing awards in respect of working hours so as to make the maximum period intermediate between 40 hours and the maximum provided in the award. The normal maximum subscription by members of any industrial union of workers is limited to one shilling per week.

The Inspector of Awards is empowered to institute civil proceedings for the recovery of wages on behalf of any employee subject to an award or industrial agreement, without affecting any other civil remedies that may exist.

#### STATISTICS OF UNIONS OF WORKERS AND EMPLOYERS

Some of the statistical information on record may be referred to, as a side light on the present situation of trade unionism in New Zealand. Dual provision for the registration and protection of unions of workers and employers exists in the Trade-Unions Act and in the Industrial Conciliation and Arbitration Act.

The former Act is now practically inoperative, but annual returns are compiled under the latter Act. These show that there were 130 unions of employers, with 3,959 members, as at December 31, 1933. At the same date there were 407 industrial unions of workers, with 71,888 members. Decreases in membership have been recorded annually since 1928, when a peak total of 103,980 persons were members. Several of these years reflect a period of economic depression, but the new legislation requiring union membership will undoubtedly result in large additions to the present totals.

In the total of 3,959 employers who are members of unions, there is an extremely high proportion who are members of unions of agricultural and pastoral employers, the total in this category being 1,179, whereas workers' unions

in the agricultural and pastoral industrial group have a total membership of only 5,512. This is believed to be due to the fact that many small farmers belong to such employers' unions.

The workers, on the other hand, are almost entirely seasonal workers, especially in the case of those unionized, such as shearers and threshing-mill employees. In these cases the workers travel round and work for several employers in one season.

A different situation exists in most other industrial groups as, for instance, "food, drink, etc.," where 764 employers are members of employers' unions, and 7,303 workers belong to employees' unions; the "building and construction" group shows 643 employers and 7,510 unionized employees; "shipping and cargo-working" shows 108 employers to 9,008 employees. The largest group, "land transport," has 156 employers to 13,775 employees, the latter including three unions of railway employees, with a total membership of 10,051.

#### PERCENTAGES OF UNIONIZED WAGE-EARNERS

The proportion of workers belonging to unions registered under the Industrial Conciliation and Arbitration Act, to the total number of wage-earners in the country, at the end of 1920, was 26 per cent, and at the end of 1925 was 24 per cent. The lowest ratio of unionists was among agricultural and pastoral workers (6 per cent) and the highest, shipping and cargo-working (67 per cent), building and construction (65 per cent), and food and drink, etc. (61 per cent).

#### RESTORATION OF WAGE LEVELS

The expressed intention of the Government is to restore the wage level as from July 1 to that existing in 1931, prior to the statutory reductions. On the face of it, this proposal will at first affect only those unionized wage-earners who were subject to award rates of pay, or in the neighbourhood of 25 per cent of all workers. Legislation to that end is not yet on the statute book, but its early introduction is forecast by ministerial statements of recent date.

#### FACTORIES AMENDMENT ACT, 1936

The second amending Act affecting labour is the Factories Amendment Act, 1936. The principal Act is the Factories Act, 1921-22, and its revision was undertaken concurrently with that of the Shops and Offices Act, 1921-22, which is the principal Act affected by the newly-passed Shops and Offices Amendment Act, 1936. Both the new measures contain "over-riding" clauses, whereby all awards and industrial agreements under the Industrial Conciliation and Arbitration Act, 1925, are to be read subject to the provisions of the Factories or the Shops and Offices Amendment Act, provided that nothing in them is to be construed to reduce the wages or increase the working hours as fixed by any such award or agreement.

#### DEFINITION OF TERM "FACTORY"

To bring all possible industries within the purview of the Factories Act, the term "factory" is applicable to one person. Formerly the definition required a minimum of two persons in an industrial establishment to constitute a factory.

#### HOURS OF LABOUR AND OVERTIME IN FACTORIES

With the exception of hours of work, the Act comes into force on July 1, 1936. The normal hours of work in a factory, from September 1, 1936, are to

be limited to 40 hours per week, 8 hours per day, with not more than  $4\frac{1}{4}$  hours continuously without an interval of at least three-quarters of an hour for a meal. If this is impracticable with respect to the 40-hour week, the Arbitration Court may extend the working hours to not over 44 per week. Certain industries, notably dairy factories, meat-freezing works, fellmongeries, wool-dumping factories, and jam factories (in season) are exempted from the above provisions with respect to their male employees.

Dairy factory employees may not ordinarily work more than six days per week. Females and boys may not be employed in any factory between 6 p.m. and 8 a.m., nor on any Sunday, nor on any holiday or half-holiday. Overtime within these limits can be worked by women and boys with the prior approval of the Inspector of Factories on not more than two consecutive days per week, and (save in exceptional circumstances) for not more than 90 hours per year. Minimum overtime rates for all persons are set at one and a half times the ordinary rate with a minimum of 1s. 6d. per hour. Holiday or Sunday work, where permitted, is payable at double ordinary rates.

In both the Factories Amendment Act and the Shops and Offices Amendment Act, an additional hour per day at ordinary rates of wages is allowed for those employed in factories in getting up steam or the like, or in attending to horses or motor vehicles in connection with shops.

#### DISMISSALS

No person employed in any factory at the commencement of the operation of the Act shall be dismissed nor shall his wages be reduced by reason merely of any reduction or alteration made in his working hours under this Act, and the burden of proof that dismissal or reduction was not made in breach of the provisions of the Act is laid upon the occupier.

#### PREVENTION OF "SWEATING"

"Outside" work and "home" work provisions for the prevention of "sweating" are made more stringent, and persons employed to do work elsewhere than in a factory must be licensed. Licences are limited to one person for every ten or fraction of ten employed by the occupier in the factory.

#### MINIMUM WAGES

The minimum wages in factories, which are also those applying to shop-assistants and office employees, under their Act, are on the following basis:—

For the first six months of employment—not less than 15s. per week.

Half-yearly increments, until the end of the third year—not less than 4s. per week.

Thereafter—not less than 40s. per week.

Prior employment in any factory is to be taken into consideration in determining the wage rate, whether or not the periods of employment antedate the Act.

#### HOLIDAYS

Holidays at ordinary rates of pay are to be allowed to all factory workers as follows: Christmas Day, Boxing Day, New Year's Day, Good Friday, Easter Monday, Anzac Day, Labour Day, and King's Birthday.

The safety provisions of the Factories Act, 1921-22, are applied to all factories, and not only to those factories in which machinery is employed.

## SHOPS AND OFFICES AMENDMENT ACT, 1936

## DEFINITION OF TERM "SHOP-ASSISTANT"

The Shops and Offices Amendment Act, 1936, extends the definition of "shop-assistant" to include a person employed in management of a shop, whose wages do not exceed £6 per week in the case of males, or £4 per week in the case of females.

## HOURS OF LABOUR AND WORKING CONDITIONS IN SHOPS

Hours of labour in shops are limited from September 1, 1936, to 44 hours per week (excluding meal times), 8 hours per day, except on one day per week when 11 hours may be worked, but no person may be employed in a shop after noon on the statutory early-closing day. It is customary in Auckland to have certain retail shops open until 9 p.m. on Friday, the late-shopping night, and to close to the public on Saturday at 12.30 p.m., the statutory closing hour being 1 p.m. Some cities have their early-closing or late-shopping on other days, but the new Act will vary the customary closing time on the half-holiday by half an hour. Other alterations in time of opening and closing shops may be required to fit in with the "continuous employment" provisions of the Act, and shopkeepers are now studying the legislation.

The limit of continuous employment is 4½ hours, after which one hour for a meal must be allowed, unless in cases where the occupier allows a rest interval of 10 minutes in every period of three hours, when the assistant may be continuously employed for a maximum of five hours.

Stocktaking or special work, other than actual sale of goods, may be carried on for not over three hours in any one day, or 60 hours in any one year, subject to previous written consent of the Inspector of Factories. No overtime may be worked on a half-holiday. Overtime as from July 1, 1936, is set at one and a half times the ordinary rate, with a minimum of 1s. 6d. per hour, and a meal allowance of 1s. 6d. is also payable.

Females and boys under 18 years of age may not be employed after 9.30 p.m. except in restaurants or similar establishments, where they may be employed up to 10.30 p.m.

## MINIMUM WAGES

Minimum wages and the dismissal provisions of the Factories Amendment Act, 1936, are repeated in this Act, *mutatis mutandis*. Periods of service in any shop whatever shall count towards determining the minimum wage payable, whether the service was before or after commencement of the Act.

The payment of premiums may not be exacted by any occupier in respect of shop-assistants or learners unless the shop is approved as a school for learners by the Chief Inspector of Factories.

Special provisions apply to hotels, restaurants, and boarding-houses, but include the 44-hour week, and the 8-hour day. Overtime up to 120 hours per year may be permitted.

## LEGISLATION AS AFFECTING OFFICES

The legislation as affecting offices provides that every office shall be closed not later than noon on Saturday, or such other day as is substituted for the weekly half-holiday. The provisions as to the payment of minimum wages, overtime, meal allowance, previous experience, and dismissal are the same for offices as in the case of shops.

## HOURS OF LABOUR AND WORKING CONDITIONS IN OFFICES

In any building where any person is employed to do clerical work in connection with any mercantile business or calling (except those of solicitors, mining companies, miners' unions, factories, shops, transport, newspapers, telegraphs, cables, freezing works, forwarding agencies, auctioneers in stock yards, wool-buyers, harbour boards, or woolbrokers) an office assistant may be employed in clearing up for half an hour only after 12 noon on Saturdays and 5 p.m. on other days, provided the office is locked or effectively closed to the public, without overtime becoming payable.

Hours of office assistants are apparently not otherwise regulated by this Act except that the noon closing on Saturdays commences on July 1. The principal Act limits overtime to three hours in any one day, and to six days in any one month, under special circumstances. Time books must be kept for each shop and office employee, including in this case solicitors' office, mining company and miners' union office employees.

## EMPLOYMENT AFTER HOURS IN BANKS

Special provisions apply as to employment after hours of assistants in banks. The Act provides that an office assistant employed in a bank may work overtime for not more than three hours on any one day nor for more than six days in any one month for any of the following purposes: balancing of the cash or cash-book after the close of the day's transactions; the periodical balancing of the ledgers; the yearly or half-yearly balance of the business of the bank; writing up of the books for the day's transactions; remittance for collection of bills of exchange cheques and other mercantile instruments drawn on other places; work incidental to sending by mail out of New Zealand of documents relating to goods exported; special work arising in circumstances of urgency; clearing up arrears of office work due to special circumstances.

## WAGES AND OVERTIME CONDITIONS

Wages of shop-assistants must be paid weekly, and of office assistants monthly, or at such shorter intervals as are agreed on. Overtime payments to bank employees are to be made only for extended hours in excess of a total of 80 hours per fortnight, or in the case of a period of four weeks for the purpose of each half-yearly balance, a total of 90 hours in each fortnight.

Where any worker is actually employed in or about a shop or an office during extended hours, he shall be paid overtime notwithstanding that the extension of hours may have been unlawful.

When the respective bills were under discussion, important debates of Parliament were broadcast over the State radio system and evoked keen public interest. The same policy of radio broadcasting has been followed in other important legislation and it has now become an established practice.

## APPLICATIONS FOR EXEMPTIONS FROM THE ACTS

One effect of the legislation—in particular that regarding the 40-hour week—is the presentation of many applications to the Arbitration Court by manufacturers who desire to obtain exemption for their particular industries, on the ground that it would be impracticable to carry them on efficiently or in competition with imported goods unless the extension to 44 hours per week is granted. Alternatively, postponement of the 40-hour week for another year is sought to fulfil outstanding contracts and because of the necessity of training the additional labour that would be required in continuous processing under the 40-hour week conditions. These applications are being contested by the workers' representatives and are still before the Court.

DEMAND FOR HEMLOCK EXTRACT IN GREAT BRITAIN

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

London, July 20, 1936.—The use of hemlock bark extract was, before the War, extensive, but changed conditions among tanners in the United Kingdom reacting on demand have resulted in a greatly diminished use of this material. At one time, it is estimated, as much as 3,000 tons a year were consumed in this country. This has now declined with the introduction of cheaper substitutes until at present the total annual volume probably does not exceed 600 long tons.

There are various reasons for the change, but the most important are price and colour. Both affect adversely the more extensive use of hemlock extract. Hemlock tanning extract has a distinctive red colour which is reproduced in the tanned leather, and this leather merchants usually consider undesirable. On the other hand, hemlock is still regarded as the best of tanning materials, imparting to the leather, in addition to other properties, a waterproofing element which is particularly to be desired in sole leather. The fact remains, however, that in leather in general the reddish colour associated with hemlock bark tanning is regarded with disfavour.

UNIVERSITY OF GLASGOW'S EXPERIMENTATION WORK

A few years ago the University of Glasgow, according to a report of the Canadian Trade Commissioner in Scotland, carried out extensive experiments with Canadian hemlock extract. The results confirmed the opinions of leather tanners that hemlock produced too deep a colour for the majority of present-day requirements; that the bark contained a large amount of insoluble tans; and the price of the extract was relatively too high. The colour objection might be got over by employing only a percentage of hemlock extract with other lighter-coloured materials, but even under these circumstances some difficulties would be experienced, as it is chiefly the light-buff or biscuit-coloured leathers which are at present in largest demand.

THE QUESTION OF PRICE

The other principal disadvantage under which hemlock extract labours is price. Although a great many tanning materials are now used, the two of chief importance which have largely been responsible for the decline in the use of hemlock are quebracho, which is imported principally from Argentina, and mimosa, from South Africa. Of the former it is estimated that some 30,000 tons are used annually in the United Kingdom, and nearly 20,000 tons of the latter.

In determining the relative merits of these various extracts, the tanner must consider numerous factors according to the type of finished product desired. Assuming, however, the merits of the extracts to be equal, he compares the extracts as to price per unit of tans. This is computed by dividing the tannin content of the extract into the price per ton. The following table, which sets forth these factors, shows clearly the disadvantage to the tanners of using hemlock, despite any other desirable characteristics:—

Liquid Extract	Price per Ton C.i.f.		Approximate Cost per Unit of Tan	
	£	s. d.	Per Cent Tannin	s. d.
Hemlock.. . . . .	13	10 0	25	10 9
Quebracho .. . . .	17	0 0	64	5 4
	11	7 6	36	6 3
Mimosa .. . . .	10	0 0	30	6 8

It will be seen that, in order to compete favourably in price, hemlock extract would require to be substantially lower in price than at present and probably

in the vicinity of £7 10s. or £8 (\$37 to \$40) per long ton. When it is considered that hemlock at present is approximately the price it was prior to the War, there seems little likelihood that it could be economically produced in Canada now at almost half the figure.

#### PRESENT IMPORTATIONS

There is still of course a definite demand for hemlock extract, which is used regularly by certain tanners, but the demand is admittedly very limited and continues to diminish. The supplies—only some 600 tons per annum—at present are imported almost exclusively from the United States and largely from one firm there. It is stated here that most of the hemlock bark used by this concern to produce the extract shipped to Great Britain is gathered in Canada.

Reports from the Canadian Trade Commissioners in Liverpool and Bristol show that there are few tanners now using hemlock extract. Many important firms which formerly took large quantities now use very limited amounts, or usually none at all. If, however, a method could be developed of counteracting the undesirable red colour, and if hemlock extract could be produced in Canada at a price more nearly in line with quebracho and mimosa, it seems possible many tanners would revert to it.

#### CROP CONDITIONS IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, July 22, 1936.—The Department of Agriculture for Scotland reports that pastures in Scotland suffered from the lack of moisture that prevailed throughout May and June. The drought was not broken until the last day of June except in several western and southwestern districts where rain relieved the situation in the third week of that month.

As a consequence of the exceptionally dry weather the hay yield will be light in many areas, and over the whole country considerably below the average. This applies also to wheat. The probable yield of barley can be only roughly estimated, but the districts which will be from 5 to 20 per cent below average exceed greatly in number those from which are expected average or more than average yields. In oats the straw generally is short, and yield over the whole appears likely to be below average.

In most districts where beans are grown, plants were vigorous and healthy despite the lack of moisture, and average yields are expected in most areas. Potatoes made good progress in spite of the dry weather, and indications are that the yield will be well above average. Turnips and swedes made much better progress in western and southwestern districts than elsewhere. Mangolds looked vigorous and healthy in most districts. Sugar beet withstood the dry weather conditions well.

#### IRISH FREE STATE FOOTWEAR INDUSTRY

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, July 10, 1936.—Up until 1924 the Irish Free State imported most of its footwear, and it was not till that year that the first protective customs tariff of 15 per cent ad valorem was imposed. In that year there were six footwear factories operating in the Free State employing 350 persons and producing some 225,000 pairs of boots and shoes per annum, or only 7 per cent of the total demand. Even as late as 1927, the Saorstat took roughly one-third of the whole United Kingdom export of footwear.

## DOMESTIC PRODUCTION

From 1924 to 1931 there was no very marked development such as occurred after that year. In March, 1935, there were sixteen factories in operation, and at the present time there are twenty-five factories included within the membership of the Association of Boot Manufacturers, and two non-member factories which, according to the press, are in course of formation.

The Associated Factories are well distributed throughout the country. Fourteen are in the Province of Leinster; seven in the Province of Munster, one in Connaught, and three in that part of Ulster which is included within the boundaries of the Irish Free State.

In these factories the employees are about 45 per cent men and the remainder are women and children. The statistics of the number of employees and production are:—

Year	Number of Employees	Production in Pairs
1932.. . . . .	1,714	841,000
1933.. . . . .	2,045	1,567,000
1934.. . . . .	2,999	1,913,000
1935.. . . . .	4,303	3,235,000
1936 (estimated) .. . . .	5,500	1,041,000 to March 31

A study of these figures shows the trend to complete self-sufficiency. The total annual demand is some 5,540,000 pairs, the figures being the summation of the 1935 imports of leather footwear (1,347,000 pairs), production in local factories (3,254,000 pairs), and imports of footwear not leather, i.e., rubber and other materials (939,000 pairs). It is clear therefore that by the end of this year the saturation point will have been reached, and internal competition or control of production will have taken place.

The Irish factories have not yet attempted much in the way of novelty or of the finer classes of footwear, and these styles will likely continue to be imported for some years to come. Styles produced in Ireland, however, have been changing from the heavy to the light types, and these are now being produced in a ratio of 1 to 3, instead of being on an equality as in 1932. Imports have always been preponderantly of the lighter types. There has also been a steady drift away from purely leather footwear.

Trade disputes in the industry are referred to a joint board, the association being represented by eight delegates and the workers by a similar number.

## IMPORTS

The total imports of footwear of all kinds for the past four years, with countries of consignment, quantities and values, were as follows. Sources of supply for the year 1935 are not available:—

*Imports of Boots and Shoes into the Irish Free State*

Country of Consignment	1932	1933	1934	1935	1932 £	1933 £	1934 £	1935 £
	Quantities in Dozen Pairs							
Great Britain. . . .	359,122	518,408	313,045	.....	1,118,165	923,642	724,532	.....
Northern Ireland.. .	17,387	14,656	8,541	.....	41,944	31,176	118,972	.....
Canada . . . . .	1,459	683	150	.....	3,240	1,426	317	.....
United States . . . .	1,076	828	226	.....	3,329	2,456	897	.....
Switzerland . . . . .	85	569	106	.....	646	4,244	600	.....
Japan . . . . .	668	4,123	6,549	.....	523	2,323	2,893	.....
Czechoslovakia . . . .	70	2,772	9,971	.....	104	2,944	10,722	.....
Belgium . . . . .	29	1,427	1,316	.....	10	638	1,382	.....
Other countries . . . .	1,399	2,055	1,651	.....	2,140	1,562	1,273	.....
Total . . . . .	381,295	445,430	341,555	190,486	1,170,101	970,411	761,588	499,874

By way of illustrating the shrinkage that has taken place in this market, the following summarizes the figures for the years 1935 and (within parentheses) 1932:—

*Boots and Shoes of Leather.*—For men and boys, imports in 1935 totalled 35,875 dozen pairs valued at £158,412 (in 1932, 98,367 dozen pairs valued at

£481,053); for women and girls, 59,472 dozen pairs valued at £237,156 (123,064 dozen pairs valued at £481,710); and for children and infants, 17,024 dozen pairs valued at £27,157 (41,713 dozen pairs valued at £69,513).

*Boots and Shoes Wholly or Mainly of Rubber.*—Imports in 1935, 60,990 dozen pairs valued at £49,144 (in 1932, 88,495 dozen pairs valued at £97,817).

*Boots and Shoes of Other Materials.*—Imports in 1935, 17,125 dozen pairs valued at £28,005 (in 1932, 29,656 dozen pairs valued at £40,008).

Beginning April 1, 1935, all Irish Free State statistics of imports are compiled by "country of origin," whereas previous to that date they were always compiled by "country of consignment."

It is not valid, therefore, to compare the figures of imports from various countries during the year 1935 with those of previous years. The total import figures for 1935 are, however, comparable, and are included to indicate the further contraction in the import trade.

### IMPORT DUTIES

Leather and skin footwear with uppers of leather or skin are dutiable at 30 per cent ad valorem, with uppers of other materials at 20 per cent ad valorem. Rubber boots exceeding 9 inches from heel to toe are dutiable at 2s. per boot, and at 9d. per boot if of lesser length. Shoes with rubber soles are dutiable at 6d. per shoe. There is no British preferential rate on footwear.

### OTHER IMPORT RESTRICTIONS

Footwear is only admitted to the Irish Free State under quotas, in conformity with the Control of Manufactures Act, 1934, the amounts diminishing as local production increases.

The latest quotas permitted under different classes have been published in *Commercial Intelligence Journal* Nos. 1677 and 1689, pages 505 and 1152 respectively.

It has been stated recently in the press that the Dunlop Factory, Cork, intend to turn out some 850,000 pairs of rubber and rubber-soled footwear this year.

The imports of footwear of rubber and material other than leather for the years 1931-1934, when the increased tariff and import quota were imposed, are:—

Year	Total	Rubber	Other Materials
1930..	1,139,000	897,000	242,000
1931..	1,254,000	1,022,000	232,000
1932..	1,418,000	1,062,000	356,000
1933..	2,575,000	1,127,000	1,448,000
1934..	1,735,000	659,000	1,076,000

### TRADE OF MALTA IN 1935

J. C. DEPOCAS, ASSISTANT TRADE COMMISSIONER

Milan, July 1, 1936.—The total trade of Malta increased from £3,644,273 in 1934 to £3,964,479 in 1935, or by 8·8 per cent; imports rising from £3,469,035 to £3,767,149, or by 8·6 per cent, and exports from £175,238 to £197,330, or by 12·6 per cent. Imports of bullion and specie totalled £3,334 in 1935 (nil in 1934).

Exports from Malta are not important. An adverse trade balance for "visibles" is customary and is not a source of anxiety for the administration, as a compensation is apparently adequately found in the exchange of "invisibles" in the form of such items as salaries to British officers and soldiers, and revenues from visitors.

Canada, as is the case with many other countries, is not separately entered among countries buying from Malta, her purchases being credited to other Empire countries.

Imports in 1935 were made up as follows: food, drink and tobacco, £1,614,310 (£1,335,810) in 1934, or 43 per cent of the total imports; raw materials and articles mainly unmanufactured, £453,505 (£466,650), or 12 per cent; articles wholly or mainly manufactured, £1,323,981 (£1,288,481), or 35 per cent of the total.

Effective in March, 1935, an Empire preferential tariff was made applicable to certain classes of goods imported into Malta. In the case of wheat flour the application of this tariff has resulted in Australia and Canada heading the list of supplying countries, Australia shipping as much as during 1934, and Canada improving her position in a year when total imports were reduced by 33 per cent.

### TRADE BY COUNTRIES

The United Kingdom increased her shipments from £950,511 in 1934 to £1,026,927 in 1935, or by 8 per cent. Imports from Empire countries increased from £231,743 to £365,957, or 57 per cent; and those other foreign countries from £2,270,671 to £2,371,290, or 4.4 per cent. In 1934 and 1935 the imports from the United Kingdom represented 27 per cent of the total in each year; from the British Empire, 7 and 9.8 per cent respectively; and from other countries, 65 and 63 per cent.

Imports into Malta from the thirteen leading sources of supply in 1935, amounting to 72 per cent of the total imports, are shown in the following table, with comparative figures for 1934:—

	1935		1934		Inc. or Dec. Per Cent
	£	Rank	£	Rank	
United Kingdom.. . . .	1,023,593	1	959,511	1	+ 8
Italy . . . . .	245,683	2	330,371	2	—25
Roumania . . . . .	194,856	3	213,424	4	— 8.7
Germany . . . . .	170,357	4	161,923	5	+ 5
Australia . . . . .	146,570	5	74,180	12	+96
Turkey.. . . .	139,218	6	232,477	3	—40
Netherlands . . . . .	137,494	7	109,674	8	+25
France.. . . .	126,407	8	96,401	9	+27
Canada.. . . .	124,664	9	65,226	13	+91
Japan . . . . .	118,393	10	143,015	7	—17
Belgium . . . . .	113,002	11	95,314	10	+18
United States. . . . .	105,770	12	153,724	6	—31
Dutch possessions . . . .	100,173	13	85,170	11	+17

Italy and Roumania lost trade but not their rank; Turkey, Japan and the United States dropped behind. The two countries which showed the greatest increases in value of shipments were Australia and Canada, ranking fifth and ninth instead of twelfth and thirteenth as in 1934, with advances of 96 and 91 per cent respectively.

### IMPORTS BY COMMODITIES

*Food, Drink and Tobacco.*—The value of the imports in this category totalled £1,614,310 (£1,355,810 in 1934), or 43 per cent of total imports, of which the main items were: wheat, £316,631 (£137,675 in 1934); live animals, £110,277 (£117,215); milk, n.o.p., £85,297 (£66,531); wines, £77,163 (£91,077); meats (fresh, frozen and preserved), £74,867 (£81,278); flour and semola £73,561 (£96,705); coffee, £70,802 (£20,487); butter and butter substitutes, £68,730 (£53,913); sugar, £65,030 (£69,099); cotton seed oils and other edible oils, £61,424 (£49,308); and fish, n.o.p., £56,726 (£58,667).

*Raw Materials and Articles Mainly Unmanufactured.*—Total imports stood at £453,505 (£466,650) or 12 per cent of total imports, the most important items being coal, coke, and patent fuel, £131,016 (£185,892); petrol spirits, £128,535 (£138,506); wood and lumber, £68,161 (£46,277); and petroleum, £61,456 (£68,376).

*Manufactured Articles.*—Total imports were valued at £1,323,981 (£1,288,481), the leading items being metals and manufactures (hardware, machinery, etc.), £181,181 (£170,663); cotton goods, £99,726 (£132,706); motor vehicles, £92,257 (£88,295); apparel and slops, £79,663 (£83,280); woollen goods, £76,650 (£73,568); and soap, £71,255 (£53,904).

### IMPORTS FROM CANADA

In the statistics of Malta, Canada appears as supplier of many commodities, but the bulk of her trade is in wheat and wheat flour.

#### WHEAT

Total imports increased in 1935 to 316,631 tons (£51,434) from 137,675 tons (£25,138). Due to this heavy increase in imports, most wheat supplying countries found an improved market in Malta. The United States, however, shipped only 941 (2,945) tons valued at £7,217 (£22,621), and Argentina 4,051 tons valued at £17,337 (nil), the bulk of the trade going to Australia and Canada with 14,124 tons (7,051) at £99,590 (£37,568) and 11,013 (4,687) tons at £74,008 (£30,124) respectively. Other supplying nations were: France, £56,911 (£6,508); Russia, £28,101 (nil); Algiers, £25,604 (£7,433); and Roumania, £19,450 (£3,953).

#### WHEAT FLOUR

Total imports during 1935 decreased to 158,952 cwts. (£73,561) from 237,527 cwts. (£96,705) in the previous year. This decrease reflects the increased imports of wheat referred to above and the higher average unit cost of flour. The figures show also the effect of the application of the preferential tariff made applicable in March, 1935. In 1934 the leading countries of supply were, in order of importance, France, Australia, United States, Canada, and Russia. In 1935 they were quantitatively Australia, Canada, France, and the United States; and in value Canada, Australia, France, and the United States. France and the United States both lost ground. Canada's shipments rose from 17,384 cwts. (£10,301) to 46,767 cwts. (£24,004), an increase both in quantity and value. Australia increased her volume from 57,108 cwts. to 59,450 cwts. but the value dropped from £22,727 to £22,712. The other supplying countries were: France, 27,815 cwts. (£10,860) as against 91,978 cwts. (£29,741); the United States, 12,464 cwts. (£7,950) as against 38,693 cwts. (£18,978); United Kingdom, 9,251 cwts. (£6,807) as against 5,899 cwts. (£4,502). Russia with 16,010 cwts. (£7,072) in 1934, Italy with 4,621 (£1,252), and Algiers with 4,478 (£1,792), do not appear in the 1935 statistics.

#### MOTOR VEHICLES

Total imports of motor cars, including chassis, were 540 units (£71,356) as against 536 units (£67,992) in 1935. The principal suppliers in order of importance were the United Kingdom, 275 (£32,732) as against 280 (£31,023); Canada, 100 (£15,617) as against 45 (£7,805); United States, 98 (£17,598) as against 152 (£24,117); and Italy, 66 (£5,216) as against 53 (£4,401).

The 1935 statistics show separately imports of complete motor cars and those of chassis.

Total imports of the former amounted to 436 in number (£52,172), of which 255 (£29,270) were from the United Kingdom; 68 (£10,554) from Canada; 66 (£5,216) from Italy; 46 (£6,939) from the United States; and one (£193) from Belgium.

Total imports of chassis without bodies amounted to 104 in number (£19,184) distributed as follows: 52 (£10,659) from the United States; 32 (£5,063) from Canada; and 20 (£3,462) from the United Kingdom.

#### OTHER PRODUCTS

*Condensed Milk.*—Shipments direct from Canada totalled 2,013 cases (£1,574) out of total imports of 90,299 cases (£73,284), of which 64,182 (£50,635) were from Holland, 8,930 (£8,011) from Norway, 6,673 (£5,952) from Belgium, and 4,590 (£3,806) from the United Kingdom.

*Cheese.*—Total imports amounted to 14,763 cwts. (£52,218), of which Canada's share was 520 cwts. (£1,197). Other supplying countries were Italy, 6,040 cwts. (£26,978); New Zealand, 3,751 (£10,065); Bulgaria, 1,077 (£3,423); Finland, 1,062 (£3,041); and Cyprus, 291 (£1,411).

Other imports from Canada in 1935 included preserved fish, fresh fruits, hosiery, manufactured grains, automobile accessories, evaporated milk, sauces and condiments, leather (tanned), spirits, apparel and slops, stationery, tinned meats, preserved fruits, lard substitutes, and dried fish.

WHEAT AND FLOUR REGULATION IN EUROPEAN COUNTRIES

III

Netherlands

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One guilder or florin equals approximately \$0.67 at the current rate of exchange; one metric ton equals 2,205 pounds; one kilo equals 2.2 pounds)

WHEAT

Rotterdam, July 14, 1936.—With no currency restrictions, a comparatively low milling percentage for the home-grown product, and without a high import duty, the Netherlands is one of the few remaining important purchasers of foreign wheat. As a market it is now of more value than any of the more populous Continental countries which are still theoretically regarded as large net importers.

As a traditionally free trade country and ill adapted for the production of cereals, the Netherlands was one of the last nations of Europe to interfere in any way with the grain trade. Up to the middle of 1931 only foreign wheat, which was admitted without restriction, was used by Dutch mills grinding white flour for ordinary bread-making purposes. The domestic crop, which averaged about 5,750,000 bushels per annum, was employed exclusively for feeding purposes and for the manufacture of whole wheat flour.

VOLUME OF IMPORTS

During the five-year period from 1929 to 1933, imports of wheat averaged 26,477,200 bushels. In 1934, when the effect of the enforced employment of the domestic product was evident, and to which reference will subsequently be made, the quantity entering the country dropped to 18,141,000 bushels. In 1935 it rose to 19,450,000 bushels. The average of these two figures or 18,795,500 bushels may be regarded as the approximate present extent of the market for foreign wheat.

WHEAT MIXING LAW

The initial legislation affecting the wheat trade was the Wheat Act of 1931, which became effective on July 4, 1931. It was originally intended to be of a temporary nature and was framed to expire on August 1, 1934. Its operation was, however, extended by a subsequent decree. This legislation provided that flour used for ordinary bread-making purposes should contain a minimum of 20 and a maximum of 30 per cent of domestic wheat. By an amendment to this Act, the maximum was subsequently raised to 40 per cent.

Particulars as to the percentages of domestic wheat which have had to be used since the inception of the Act have been as follows:—

	Per Cent
July 4, 1931, to September 7, 1931 .. . . .	20
September 7, 1931, to August 8, 1932 .. . . .	22½
August 8, 1932, to February 13, 1933 .. . . .	25
February 13, 1933, to present .. . . .	35

It is still possible to add another 5 per cent to make a total of 40 per cent before the legal maximum is reached.

For the purpose of marketing domestic wheat a Central Wheat Organization was created, which was superimposed on eight local district organizations which were set up concurrently, and of which the wheat producers were to be members. The Central Wheat Organization is the only seller of domestic wheat

in the sense of the Wheat Act. As an adjunct to the Central Wheat Organization, a second or buying body was also formed, which is known as the Association of Inland Wheat Consumers, which purchases wheat on behalf of the millers.

At the beginning the Central Wheat Organization paid the farmer fl.12.50 per 100 kilos (approximately \$8.37 at the current rate of exchange per 3.67 bushels) for his wheat. This sum was subsequently lowered to fl.12 (approximately \$8.04), and in 1934 to fl.11 (approximately \$7.37). In 1935 it was again decreased to fl.10 (approximately \$6.70); fl.9 (approximately \$6.03) will be paid for the 1936 harvest.

The flour-milling industry through the consumers' association purchases this wheat for fl.15.75 per 100 kilos (approximately \$10.55 per 3.67 bushels). The high price is passed on to the consumer of bread, and on this basis it is estimated that the mixing law costs the people of the Netherlands approximately fl.39,-590,000 per year (approximately \$26,525,300).

The anomaly of the situation is shown by the fact that, in addition to being a wheat importer, Holland is now actually an exporter. In both 1934 and 1935 a surplus was available over and above the percentage employed by the mills. This was sold in such countries as the United Kingdom and Denmark for as little as fl.2.80 per 100 kilos (approximately \$1.88 per 3.67 bushels), although the domestic mills had to pay fl.15.75 (approximately \$10.55) for the same article.

#### AGRICULTURAL CRISIS LAW

The Wheat Act, as outlined in the preceding paragraphs, continued to prescribe to the flour consumers until it was superseded by an Act of May 5, 1933, which is known as the Agricultural Crisis Law. This new statute unified and embodied all existing legislation including the Wheat Act. It was possible, therefore, to repeal the latter, which was done by an enactment of July 27, 1934, as its functions had been completely absorbed by the Agricultural Crisis Law. This succeeding law in addition to carrying on the mixing prescriptions of its predecessor vested in the government arbitrary power to take whatever steps were deemed necessary to assist and regulate the trade in a number of agricultural products, including wheat. These commodities were termed "crisis products."

#### CONTROL OF IMPORTS

By virtue of the Agricultural Crisis Law, a second measure of restraint was placed on the wheat trade from August 14, 1933, when the Government adopted, through the medium of the Central Wheat Organization, what was designated as a monopoly of imports. At the same time an import levy was imposed, known as a monopoly tax.

From the date mentioned the unrestricted importation of wheat which had hitherto prevailed was abolished. While the monopoly did not take the place of private trading, it confined it to established firms and individuals, and made it necessary that they secure import permits from the Central Agricultural Office at The Hague, which had the right to grant or refuse these for any exporting country.

It was further specified that there would be a tax for these permits of fl.1 per 100 kilos (approximately \$0.67 per 3.67 bushels) of wheat. On November 18, 1933, this tax was increased to fl.1.50 per 100 kilos (approximately \$1 per 3.67 bushels) and on September 4, 1935, to fl.2 per 100 kilos (approximately \$1.34 per 3.67 bushels), applicable to imports from all countries.

The monopoly control enables the Netherlands, if it is so desired, to divert wheat imports to countries with which bi-lateral treaty arrangements are made. It can also be used to assist trade balances, as has been done with certain European countries whose wheat is adopted only against the importation by them of certain quantities of Netherlands or Netherlands colonial merchandise.

By virtue of the agreement between the Netherlands and the United States, which became effective on January 1, 1936, the Netherlands Government pledged itself to purchase annually a quantity of milling wheat originating in the United States, equivalent to not less than 5 per cent of the annual total consumption of foreign milling wheat. It was stipulated in this connection, however, that the price of this wheat must be competitive with the world price for milling wheat of comparable grade and quality.

At the time of writing an agreement is being negotiated between the Netherlands and Hungary. Details are not yet available, but it is reported on good authority that as a result this country may during the next year take 100,000 metric tons (3,675,000 bushels) of Hungarian wheat, which will be paid for, for the greater part, by the exportation of Dutch products to Hungary.

#### EFFECT OF MIXING LAW

Concurrently with the high price received by growers for their wheat and the widening milling quota, domestic production began to expand. While Dutch wheat is not ordinarily of good milling quality, favourable climatic conditions during the past four growing and harvesting seasons have resulted in yields much above the average as regards its suitability for flour-making.

The area sown with wheat, together with the total production during the past eight years, have been as follows:—

Year	Acres	Bushels
1929 .....	112,270	5,756,520
1930 .....	137,185	6,376,860
1931 .....	192,194	7,091,280
1932 .....	296,695	13,472,000
1933 .....	337,838	15,255,000
1934 .....	358,661	17,600,000
1935 .....	390,222	16,407,429
1936 .....	369,141	.....

It will be noted from the above that the first heavy increase in yield took place in 1932, during the whole of which period the Wheat Law was in force. In comparison with 1931 there was a small decline in imports both that year and in 1933. The falling off, however, did not correspond with the quantity of domestic wheat which was then being used by millers. This is explained by the extensive demand for feeding wheat, which kept import figures inflated.

In 1934 and 1935 the further increase in the home-grown crop, coupled with a contraction in the quantity of feeding wheat entering the country, brought imports down to a level commensurate with the 65-35 ratio between the quantities of foreign and domestic wheat which is at present used by the Netherlands milling industry.

#### IMPORT DUTY

Unless packed in containers weighing 1,200 grams or less, wheat enters the Netherlands free of import duty.

The monopoly tax referred to above, however, which is equal to approximately \$0.36½ per bushel, is actually the equivalent of a corresponding import duty.

#### FLOUR

As a basis to an understanding of the restrictions affecting the Netherlands flour trade, a knowledge of the wheat situation—as summarized in the preceding paragraphs—is essential. The legislation regulating the employment of wheat also covers the trade in flour. The relationship between the two commodities is so intimate that flour legislation must to a large extent coincide with wheat legislation. As a manufactured product, however, the former receives a higher degree of protection than the raw material, wheat.

Prior to July 4, 1931, there were no import restrictions or duties on flour when imported into the Netherlands. Owing to the social legislation which prohibited night labour in the bakeries and made a quick-working flour necessary,

the most popular varieties were those milled from the softer wheats grown in Kansas and Oklahoma. A fair trade was done in the Canadian product, however.

#### EXTENT OF THE MARKET

Before the beginning of the restriction period, the Netherlands was one of the leading flour markets of Europe with annual imports averaging in excess of 150,000 metric tons. During the succeeding years these imports have been reduced to an average of only slightly more than 38,000 tons or about 25 per cent of their former value. This includes a substantial proportion of low-grade flour which is used as an animal feedstuff.

#### PROVISIONS OF WHEAT-MIXING LAW

The Wheat Mixing Law, which came into force on July 4, 1931, prescribed that bakers must use flour containing a specified percentage of home-grown wheat. Millers could readily adjust their grists accordingly, but the mixing of flour after its manufacture is impracticable. It was therefore apparent that the domestic milling industry would have a monopoly of the inland market and that the import trade would cease entirely.

In order to prevent this, and as a concession to flour importers, the relevant legislation was therefore framed to allow the continued use, under certain conditions, of small and limited quantities of unmixed flour. The product was by the law divided into two categories, which were designated "Wheat Flour A" and "Wheat Flour B." The former is the flour which must contain the proportion of domestic wheat as laid down in the Act. The latter may be milled from 100 per cent of foreign wheat.

It was laid down that "Wheat Flour B" may only be transported and sold for the account of an organization appointed by the Government to control the trade in it.

This body is known as the Central Flour Office.

It was further stated that "Wheat Flour B" could only be stocked on condition that it be either handled according to instructions and for the account of the Central Flour Office or that it be worked:—

- (a) to products destined for export to foreign countries;
- (b) to products designated by the ministry under whose jurisdiction the Act comes;
- (c) in bakeries working "Wheat Flour A."

As regards the products referred to under (b), the following are defined: rusks, biscuits, wafers, self-raising flour, vermicelli, macaroni, and starch. Concerning (c), each bread baker was allowed to use "Wheat Flour B" to the extent of one-nineteenth of his consumption of "Wheat Flour A," which is 5 per cent of his total consumption of "A" and "B." For pastry bakers the proportion allowed was 40 per cent.

#### TAX ON FLOUR

Concurrently with the enactment of the Mixing Law, the Central Flour Office imposed a levy of fl.2 per 100 kilos (\$1.34 at the current rate of exchange per 220 pounds) on all "Flour B" which was sold. Subsequently this tax has been increased and lowered as subjoined:—

		Per 100 Kilos (220 Lbs.)
July 4, 1931, to September 7, 1931 . . . . .	Fl. 2.00	(\$1.34)
September 7, 1931, to June 4, 1932 . . . . .	2.25	( 1.51)
June 4, 1932, to June 17, 1932 . . . . .	3.35	( 2.24)
June 17, 1932, to February 20, 1933 . . . . .	3.50	( 2.35)
February 20, 1933, to October 2, 1933 . . . . .	5.00	( 3.35)
October 2, 1933, to November 18, 1933 . . . . .	6.25	( 4.19)
November 18, 1933, to September 4, 1935 . . . . .	6.75	( 4.52)
September 4, 1935, to February 1, 1936 . . . . .	7.00	( 4.69)
February 1, 1936, to March 25, 1936 . . . . .	6.25	( 4.19)
March 25, 1936, to present . . . . .	6.00	( 4.02)

The last five levies were fixed by virtue of the Crisis Grain Decision of August, 1933, which was in turn based on the Agricultural Crisis Law, which superseded and embodied its predecessor, the Wheat Mixing Law.

#### PRESENT SITUATION

The effect of the foregoing restrictions on the importation and use of flour is evident from the average import figures given in a preceding paragraph.

Under the original legislation, bread makers and pastry bakers were permitted to employ respectively 5 per cent and 40 per cent of "Wheat Flour B" individually and not collectively. The total of unmixed flour used for the manufacture of bread was therefore considerably less than 5 per cent of the total consumption.

In order to facilitate the making use of the entire allotment and by virtue of a decree of March, 1935, it was made lawful for bakers to utilize up to 25 per cent of imported "Wheat Flour B." This is provided they could secure the 20 per cent over and above the 5 to which they were entitled from other bakers who use no unmixed flour. Similarly, the privilege was extended to pastry bakers by extending their permissible maximum up to 80 per cent. In other words, the baking industry as a whole may now, up to the limits set, use "Wheat Flour B" on a semi-collective basis instead of individually as before. In this connection an office has been established in Amsterdam to administer the machinery of distribution.

#### NETHERLANDS-UNITED STATES COMMERCIAL AGREEMENT

Reference has already been made to the Netherlands-United States commercial agreement in so far as it deals with wheat. The same accord contains a clause which binds this country to purchase annually from mills in the United States a quantity of wheat flour equivalent to not less than 5 per cent of the yearly total wheat flour consumption of the Netherlands. This 5 per cent is estimated at about 30,000 metric tons. It is also provided that this American flour must be competitive as regards both price and quality.

In view of the limitations to the employment of "Flour B," it is proving difficult for Holland to absorb this quantity from the United States and imports from other countries are being adversely affected.

Apart from imported "Flour B," the domestic mills are permitted to grind a yearly quota of 7,500 metric tons, which further crowds the narrow market.

#### NETHERLANDS MILLING INDUSTRY

The most recent official report on the Netherlands milling industry covers the year 1935. At the close of that period there were twenty commercial flour mills in the country, which during the preceding twelve months ground 817,000 metric tons of wheat. In anticipation of the benefits to be derived from the Mixing Law many Netherlands mills enlarged their plants in 1931 and 1932. As a result there was over-expansion and the industry is now capable of making the Netherlands independent of imported flour.

#### IMPORT DUTY

In the Netherlands tariff of import duties flour is free unless packed in containers weighing not over 1.2 kilo. There is, however, the monopoly tax of fl.6 per 100 kilos, to which reference has been made, and which is the equivalent of a duty of about \$1.83 per 100 pounds.

#### CURRENCY RESTRICTIONS

There is no transfer moratorium in the Netherlands as far as imports from Canada are concerned. Payment is made for imports under normal conditions.

## IV

## Germany

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(The following conversion rates have been used: R.M.1=Can.\$0.40; one metric ton=37 bushels; 1 kg.=2.2 pounds.)

Hamburg, July 22, 1936.—Canadian wheat and flour remain, for all practical purposes, commodities which are no longer imported into or consumed in Germany.

Prefacing the following review of conditions surrounding the sale of wheat and flour to the German market and the regulation of such trade as is carried on in it by other wheat-producing countries as well as that of a purely domestic character, it may be said that Germany appears to have achieved, for the time being at least, the objective of becoming practically self-sufficient in so far as wheat production is concerned. It was thought for some time that there might be a necessity of importing foreign wheat before the 1936 crop was harvested. This is now unlikely, while current crop reports indicate a good harvest and the probability that an equally satisfactory or improved situation may obtain at the same time next year.

It is not to be inferred that Germany has resigned herself to an absolutely isolated position in so far as trade in wheat and flour is concerned. A limited volume of business still persists, wheat imports during the calendar year 1935 having amounted to 158,893 metric tons (5,879,041 bushels) of a value of R.M.14,715,000 (\$5,886,000). Principal supplying countries were Turkey, France, Argentina, Yugoslavia, and Soviet Russia. The business, however, was less than one-quarter of the volume and value recorded during the year 1934. Exports amounted to 13,190 tons (488,030 bushels) valued at R.M.694,000 (\$277,600). The bulk of the above-noted imports of foreign wheat were of durum and similar grades which are not produced in Germany in quantities of any size.

With regard to wheat flour, imports fell during 1935 to an even lower figure than was recorded during 1934, while exports also declined appreciably. Even if a limited volume of business in wheat may be permitted, it is obvious that current governmental policy will prevent any revival in flour imports for some considerable time.

## WHEAT

During the years 1926-34 Canada supplied 41.6 per cent of Germany's extensive wheat imports which, over this period, averaged 1,520,000 metric tons (56,240,000 bushels) per annum. Of Germany's imports during 1935, amounting to 158,893 tons (5,879,041 bushels), Canadian wheat made up 8,618 tons (318,866 bushels), a percentage of 5.4. The decline is to be ascribed not only to reduced requirements but also to the diversion of purchases to countries with which payment and clearing agreements have been established. Such wheat, moreover, as has recently been purchased from Canada has been almost exclusively required and used for milling into flour for export. The proportion of shipments to Germany which has actually entered into consumption within the country is extremely small and there are, unfortunately, no available means of computing the figure with accuracy.

## IMPORTS

From the latest available German statistics it appears that, during the months January-May, 1936, total wheat imports into Germany amounted to 40,932 tons (1,514,484 bushels) of which Canada supplied 13,577 tons (502,349 bushels), a percentage of 33. Despite an apparent improvement in our position

in the market vis-a-vis other suppliers the above-noted factor—e.g., that practically all such wheat has been exported in the form of flour—outlines the position as an unsatisfactory one. No early improvement is anticipated.

#### OPERATIONS OF THE GRAIN BUREAU

The German Government has instituted a system of regulation of the wheat and flour trades which is probably more thorough than that in force in any other country in the world. In essence it ensures that no transactions involving these commodities shall be undertaken except at officially stipulated prices, that these transactions shall in most instances be carried on only under permit or with notice being given of their conclusion, and even that stocks of wheat, for example, under certain circumstances, must be sold whether or not the holder would normally want to do so. The organization under which these regulations are enforced is described as the Grain Bureau.

It may be observed that the regulation of wheat and flour prices is a part of a general scheme of commodity price regulation designed in this case to ensure comparability between producers' prices and those which must be paid for labour, equipment, etc., and, in a wider sense, to provide assistance and encouragement in cereal production to the whole agricultural community.

#### CUSTOMS TARIFF

The German customs tariff provides for a duty on imported wheat of R.M.35 per 100 kg. (Can.\$3.80 per bushel). In practice there is no import of foreign wheat subject to this duty, there being provision for such trade to be carried on under permit from the Grain Bureau without payment of customs charges. The spread between the price paid by importers and that payable by mills or other consumers, apart from unimportant commissions and handling charges, accrues to the Bureau and may be described as a monopoly tax.

#### TYPICAL IMPORT TRANSACTION

The details of an import transaction involving Argentinian or other foreign wheat may serve to illustrate the operation of existing regulations. Argentinian wheat is selected as a type which has frequently been imported into Germany and for which, under a "clearing" agreement between the two countries, facilities for payment are available. The German importer, having arranged price details with the exporter and having secured a permit for the transaction from the Grain Bureau, receives the shipment in due course.

When granting permission for the transaction, the Bureau will have approved of the purchase price of, say, R.M.100 per metric ton (Can.\$1.09 per bushel) and will concurrently have nominated the price at which the shipment may be sold. On its arrival, accordingly, apart from details of banking, the importer will arrange delivery to the mill at the figure specified by the Bureau, while he also transfers to this authority the difference between the two figures exclusive of his stipulated profit of some R.M.3 per ton (Can.\$0.03 per bushel) and incidental charges. At the moment, sales of foreign wheat to mills are being made at figures approximating to R.M.275 per metric ton (Can.\$3 per bushel), the Grain Bureau's takings thus averaging some R.M.175 (Can.\$70) per ton (Can.\$1.91 per bushel). This revenue accruing to the Grain Bureau may be described as a tax since, under the system herein referred to, foreign wheat is entirely exempt from customs duty. The price of such wheat to mills is considerably higher than for domestic wheat, the average excess being some 25 per cent.

## SITUATION OF THE HOME GROWER

In the case of home-grown wheat, the farmer is virtually compelled to sell his wheat at fixed times and at regulated prices to buyers nominated by the official grain-controlling bureau. Actually these transactions are carried on through the agency of dealers whose commissions are regulated, as are the prices payable by the flour mills. The grain eventually finds its way to mills or storage, depending on its grade and current requirements for particular types. As previously noted, prices for domestic wheat are considerably lower than for imported stocks. Basic prices payable to growers vary according to producing districts and according to the month of sale, but, on the average, are fixed at R.M.200 per ton (Can.\$2.18 per bushel).

To summarize the position without reference to less important details of official regulations, it may be said that, in addition to the virtual exclusion of all but small quantities of foreign wheat and the provision of strong incentives to increased domestic production, the Government has practically assumed control of the trade and is now in direct supervision of it from the time the wheat is harvested until it reaches the ultimate consumer in its various forms.

## FLOUR

With respect to wheat flour, the regulation of trade in this product is allied to and generally similar to that applying in the case of wheat. As previously noted, foreign trade in flour has practically ceased, while the production of German mills is subject not only to close supervision of purchase and sale prices but to stipulations as well concerning the quantities and proportions of various grades of wheat utilized.

From a purely theoretical standpoint, flour of foreign origin could be imported into Germany from "clearing" countries under varying arrangements or from other sources on a barter basis. Actually, of course, permission for such transactions is no longer granted. In theory also such imports would be subject to customs duty at a rate, for baking flours, of R.M.59·83 per 100 kg., the approximate equivalent of Can.\$21.32 per 196 pounds. Lower rates of customs duty apply to semolina flours and similar types which are imported for "industrial" purposes, but there have been few recent instances of trade in such grades.

## V

## Czechoslovakia

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(Kc.1 is approximately equal to Can.\$0.042.)

Hamburg, July 22, 1936.—In so far as wheat and flour are concerned the Czechoslovakian market bears a strong resemblance to that of Germany. For several years it was a valuable outlet for Canadian wheat and flour, but with the advent of the depression this trade has fallen to insignificant levels. Czechoslovakia has not only encouraged domestic production but has, at the same time, confined her purchases of these commodities almost exclusively to adjacent European countries with which various "compensation" and "clearing" agreements have been established. The institution also of a government-controlled grain monopoly has tended in a similar direction. At the moment there is in force a comprehensive scheme of regulation of the trade in both wheat and flour which practically prohibits the entry of these goods from Canada to the Czechoslovakian market.

## WHEAT

There is normally a substantial market in Czechoslovakia for foreign wheat. A large population of industrial workers and limited agricultural resources form its basis. Canada has supplied a considerable part of this demand, shipments having customarily been made via the port of Hamburg. In 1927, total imports of wheat into Czechoslovakia were recorded as amounting to 279,500 metric tons (10,341,500 bushels), of which it may be estimated that some 40,000 tons (1,480,000 bushels) were of Canadian origin. The total recorded import in 1935 was 95,369 metric tons (3,528,653 bushels), practically all of which was drawn from the neighbouring state of Yugoslavia.

## FACTORS ADVERSELY AFFECTING IMPORTS FROM CANADA

The causes of the disappearance of Canadian wheat from the Czechoslovakian market are to be found mainly in the institution by the Government of various clearing and compensation agreements, particularly with countries in which unliquidated credits have been available, in the requirement of the Government that wheat imports may be arranged only under licence, in the tariff, and in regulations preventing the free export of foreign exchange. It is to be assumed that, in the case of compensation agreements with other countries from which wheat has been imported, the creditor firms within the country, or the Government itself in some cases, has been reimbursed directly through the proceeds from sales, exporters in the countries participating in the transactions being paid in their own currency by the purchasers of Czechoslovakian products.

## TARIFF AND OTHER IMPOSTS

In so far as the tariff on wheat is concerned, the rate at present applicable to imports from Canada and all other countries is Kc.60 per 100 kg., which is equivalent to Can.\$0.69 per bushel. Included in this figure, but in practice a separate levy, there is collectible on wheat imports a surcharge, adjusted from time to time by official decree, to compensate for the difference between world and home market prices, which is currently equivalent to Can.\$0.11 per bushel. Wheat imports into Czechoslovakia can, at the same time, be arranged only under licence, for which a fee of 1 per cent is payable, and even then only by the Czechoslovakian Grain Company, which holds a monopoly covering all trade in wheat or flour, or by its appointees, presumably the commercial firms who hold membership in the organization.

## FIXATION OF PRICES AND GRAIN CONSCRIPTION

Further and more general influences on the current wheat market situation are to be seen in the Government's policy of fixing grain prices, of conscripting grain stocks, and of encouraging domestic production of wheat and other grains. A scheme of price regulation, designed to encourage grain production and to ensure greater stability in the market than had previously existed, has been co-ordinated with one of grain conscription. The operation of the plans does not permit of detailed elaboration, but, although assuring producers of fixed returns, these have, at the same time, exercised a damaging effect on the feed grain situation and have, additionally, resulted in appreciable decreases in the general consumption of cereal foods. The current price to Prague mills to-day of wheat of standard milling quality approximates to Can.\$1.90 per bushel.

Buying operations of the Czechoslovakian Grain Monopoly have for some time resulted in heavier deliveries than were apparently justified by a contracting market. Contracts placed in Yugoslavia particularly, together with declining consumption and some increases in production, have led to the accumulation of

a considerable surplus of stocks, the liquidation of which continues to give ground for concern. In the meantime the import market remains quiescent, encumbered by the controlling factors noted above.

### FLOUR

As with wheat, Czechoslovakia has also been a heavy buyer of Canadian flour. There has been an evident preference for Canadian stocks, exports from Canada to Hamburg having, during past years, been to a large extent destined for the Czechoslovakian market. From a trade valued at some \$500,000 in 1931 there has since been a decline of the most serious proportions, Canadian flour exports to Czechoslovakia in 1935 being estimated in value at approximately \$25,000.

The outstanding influence now affecting this trade, apart from the necessity of securing import permits, as in the case of wheat, is the increased activity of the domestic milling industry, which, while consuming proportionately larger quantities of wheat, has necessarily limited the opportunities for the sale of all foreign flour. This activity and the resulting competition offered to imported stocks has, as its prime cause, the regulation of grain and flour prices which has permitted more profitable operation than under normal and uncontrolled conditions.

### IMPORT TARIFF

There is to be further considered the influence of the customs tariff. The rate now applicable to Canadian flour imported into Czechoslovakia is Kc.150.00 per 100 kg., the equivalent of Can.\$5.61 per 196-pound barrel. Decreased consumption of cereals and their products, an indirect result of price-fixing policies, has also limited the extent of the market. The further factor of the regulation of the import of artificially bleached flour exercises as well a deterring influence on sales of this commodity and, until there has been a general removal of the restrictions which now fetter the trade, no revival in imports from Canada can be anticipated.

## UNITED STATES MARKET FOR CANADIAN ASBESTOS FIBRE

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York City, July 9, 1936.—Owing to inadequate sources of domestic supply, the United States has never become an important producer of asbestos fibre, the domestic output approximating from  $1\frac{1}{2}$  to  $5\frac{1}{2}$  per cent of the quantity required to supply raw material for the asbestos-product manufacturing industries.

The chief sources of importation are Canada, Rhodesia, South Africa, and the Soviet Union; those of lesser importance are Cyprus, Australia, and Finland.

Since the discovery of asbestos in Canada and its production on a commercial basis, the Dominion has led in tonnage. From 1916 South Africa and Rhodesia have increased their shipments of grade-spinning fibres to the United States. Prior to the World War, Russia ranked next to Canada as a producer of asbestos; almost ceased shipments following the Revolution; and since 1926 has again resumed production as well as exports to the United States.

During 1935 Canada supplied over 50 per cent of the value of all chrysotile crudes imported into the United States, 100 per cent of spinning and textile fibres (designated as such in the United States import schedules), 83 per cent of total shingle fibre imports, 100 per cent of paper fibres, and 94 per cent of asbestos n.e.s.p., containing not over 15 per cent foreign matter (the shorter types).

Canada's five-year average of the total United States imports of crude and mill fibres for the period 1929 to 1933 was 92 per cent by weight and 80 per cent by value. In 1935 the approximate total imports from Canada con-

stituted 93 per cent by weight and 87 per cent by value of the total United States imports, which amounted to over \$5,000,000.

#### CLASSIFICATION OF ASBESTOS FIBRES

Canadian asbestos fibres are divided into three main groups—crude, mill fibres, and shorts. The term “crude” is applied to fibre of spinning grade measuring three-eighths inch or longer—that is, hand-cobbed and not passed through a mill. Mill fibres are obtained by crushing the asbestos bearing rock and extracting the fibre from the rock by screening or air separation. Shorts are the lowest grades of mill fibres.

Russian asbestos is also classed as crude and mill fibres, but the term “crude” is applied somewhat loosely; it apparently includes some spinning fibre that has been prepared mechanically.

This term is not generally applied to African products. Spinning fibres comparable in quality with Canadian crudes are prepared by hand cobbing alone or in conjunction with simple mechanical crushing, disintegrating and screening processes. A much larger proportion of the African long fibres has been prepared mechanically during recent years. Mill fibres of the shorter grades constitute the largest part of the tonnage.

#### USES

On the basis of use, asbestos falls into two principal classes—spinning and non-spinning fibre. Spinning fibre comprises the longer grades of chrysotile and crocidolite. Although amosite and tremolite have long fibres, they are not used for spinning purposes. Non-spinning fibre comprises the shorter grades of these varieties and both the long and short grades of anthophyllite and related amphibole varieties.

#### SPINNING ASBESTOS

The largest use of spinning asbestos is for the manufacture of automobile brake-band linings. As much as 70,000,000 feet of brake-band linings have been made in a single year in the United States. Gaskets consisting of asbestos cloth covered with rubber cement consume large quantities of spinning fibre. Asbestos of spinning grade is used also for the manufacture of fireproof theatre curtains and scenery, blankets, mattresses, firemen's suits, gloves and shoes, aprons, mittens, leggings, helmets, awnings, conveyor belts for carrying hot materials; braided and woven tapes; woven sheet packing; wick, rope and listings. The use of asbestos in aircraft is becoming increasingly important.

#### NON-SPINNING FIBRE

Non-spinning fibre is used principally in the heat-insulating and roofing trades, although large quantities of the better grades are used for making moulded brake linings. On account of its heat-insulating and fire-resisting properties asbestos paper, manufactured in the same way as ordinary paper, is used for making air-cell and similar pipe covering, as sheeting between floors, as lining for stoves, heaters, filing cabinets, soldiers' helmets, mufflers for automobiles, drum controllers in sulphite mills, and tubes for electric wires. A widely used pipe covering consists of about 15 per cent asbestos and 85 per cent magnesia.

Compressed sheets of asbestos combined with cement are used extensively for corrugated sheeting, wallboard, millboard, lumber, and floor tile, and as a lining for safes, stoves, heaters, electrical switch boxes, ovens, and garages. Asbestos compounds are used to some extent in automobile bodies. Asbestos-cement pipes are finding increasing use for water and gas mains and sewers. They are resistant to acids, non-corrosive, relatively non-conductive of heat and

electricity, light in weight, and so elastic that traffic vibrations are unlikely to cause leakage. Moreover, they are easily placed and joined. A standard European pipe consists of 80 per cent cement and 20 per cent asbestos.

Roofing shingles consisting of about 75 per cent portland cement and 15 to 25 per cent asbestos are used extensively. Large quantities of short fibres are consumed in the manufacture of plastic fireproof cements used for boiler, pipe and furnace covering. They are also used in fireproof paints, in arc welding, for protecting the surface of metal sheathing, and as a constituent of asphalt-roof coatings. The stronger grades of anthophyllite are used for making acid filters, stoppings in combustion tubes, wicks for producing flames by saturation with mineral salts, fireproof supports and protectors, and other chemical laboratory equipment. Eak and brittle amphotile asbestos is used in making plastic cements and as an ingredient in acoustical and other wall plaster, cement flooring, and battery boxes, but it cannot be used in shingles or compressed sheets where fibre strength is important. There are also many industries that use asbestos for hundreds of minor purposes.

### MANUFACTURES

The United States leads all countries in the manufacture of products of which asbestos is an essential or important constituent. The Bureau of Census listed 238 establishments in the United States making asbestos products in 1929, 208 in 1931, and 187 in 1933. The industry is centred chiefly in the North Atlantic States, notably in Philadelphia, and eastern New Jersey areas. Important factories are operated also in Cincinnati, Chicago, St. Louis, and other midwestern cities, in the Southern States and on the Pacific Coast. Most of the output enters the domestic market; less than 5 per cent in value is exported.

The following table shows the quantity and value of the principal asbestos products manufactured in the United States for 1933:—

#### *Asbestos Products Manufactured in the United States, 1933*

Asbestos textiles and textile products:	Quantity	Value
Brake linings . . . . .feet	35,472,491	\$ 4,545,006
Clutch facings . . . . .pieces	18,857,760	1,601,934
Yarn . . . . .pounds	8,487,342	1,551,909
Cloth . . . . .pounds	4,648,677	1,069,751
Tape, listings and tubular lagging . . .pounds	1,735,925	580,948
Packing . . . . .pounds	4,971,327	1,883,940
Gaskets . . . . .pounds	1,400,192	577,177
Other textiles . . . . .	.....	812,535
Total textiles and products . . . . .	.....	\$12,623,200
Asbestos building materials:		
Shingles . . . . .squares	408,256	\$ 1,826,279
Lumber . . . . .sq. ft.	14,193,900	1,032,313
Other building material . . . . .	.....	620,546
Total building materials . . . . .	.....	\$ 3,479,138
Other asbestos products:		
Brake lining, moulded . . . . .feet	24,373,952	\$ 3,422,593
Brake lining (kind unrecorded) . . . . .	.....	2,574,441
Pipe and boiler covering, air-cell . . . . .	19,554,455	1,137,283
Pipe and boiler covering, other than air-cell .feet	8,460,631	581,826
Pipe and boiler covering, 85 per cent magnesia .feet	10,818,354	1,457,211
Moulded blocks, 85 per cent magnesia bd. .feet	9,711,170	852,844
Insulating cements . . . . .pounds	34,456,331	625,999
Other products <sup>1</sup> . . . . .	.....	1,578,547
Gasket and other asbestos textile <sup>2</sup> . . . . .	.....	8,935,839
Metallic and semi-metallic packings . . . . .	.....	1,809,361
Steam and other packing other than asbestos textile <sup>3</sup> . . . . .	.....	2,250,584
Total other products . . . . .	.....	\$25,496,528
Grand total . . . . .	.....	\$41,598,866

<sup>1</sup> Asbestos paper and miscellaneous products included millboard.

<sup>2</sup> Includes some gaskets that contain little or no asbestos.

<sup>3</sup> Excludes leather packing.

## DOMESTIC INDUSTRY

Domestic deposits of asbestos are found in Alaska, Arizona, California, Montana, Vermont, Wyoming, Georgia, and Maryland.

The marketed domestic production amounted to 4,745 short tons valued at \$130,700 in 1933; 5,085 tons worth \$158,345 in 1934; and 8,920 tons valued at \$292,925 in 1935.

Most of the domestic tonnage sold or used by producers in 1935 was short fibre chrysotile from Vermont, although small sales of Arizona crude were recorded. Small quantities of amphibole were mined in Maryland and Montana.

As the apparent consumption of asbestos in 1935 (domestic fibre used plus imports, minus exports) were 174,655 tons valued at \$5,330,444, domestic supplies represented 5.1 per cent by weight and 5.5 per cent by value of the total trade.

## SOURCES OF SUPPLY

As already mentioned the domestic output furnishes a small percentage of the country's requirements. Production is chiefly in Canada, Rhodesia, the Union of South Africa, Russia, and Cyprus.

In Rhodesia and the Union of South Africa the production consists principally of spinning fibre, and the longer and more valuable goods of mill fibre, because the local demand for short fibres is small and the price too low to justify shipment to foreign markets. Russia, on the other hand, has developed important asbestos industries that utilize large quantities of short fibre from the Urals. Canada has local demand for short fibre, but the industrial centres of the eastern United States provide a ready market, and for this reason the shorter grades constitute a large proportion of the asbestos production.

The production of asbestos in most countries reached a low point in 1932, gained considerably in 1933, and remained about the same level in the following year, but made a more decisive gain in 1935. It is still far below the volume attained in 1928 and 1929. Russia is an exception; its production shows a marked increase in the years from 1929 to 1933. This country is now one of the world's largest producers of asbestos.

The United States leads all countries in asbestos consumption. On a tonnage basis, Russia stands second and the United Kingdom third. Other important consuming countries are France, Germany, Belgium, and Japan.

The asbestos industry in the United States was affected by the depression, as were many other industries. As a result there was a very sharp decrease in the consumption of asbestos from 1929 to 1932. The 1933 and 1934 consumption figures were up, followed by a distinct increase in consumption for 1935.

## IMPORTS

The following table shows the United States imports of asbestos fibres for the years 1934 and 1935:—

	1934		1935	
	Tons	\$	Tons	\$
All chrysotile crudes:				
Canada .. . . .	976	218,649	1,382	301,352
United Kingdom .. . . .	15	1,937	20	3,799
Union of South Africa .. . . .	395	46,200	578	78,456
Other British South Africa	1,070	135,812	1,056	172,654
U.S.S.R. in Europe .. . . .	587	26,434	16	7,351
Morocco .. . . .	.....	.....	20	2,131
Total .. . . .	3,043	429,032	3,072	566,255
Blue (crocidolite) and amosite crudes:				
United Kingdom .. . . .	.....	4,763	161	19,652
Union of South Africa .. . . .	136	16,467	266	43,121
Italy .. . . .	12	8,091	20	10,952
Total .. . . .	155	29,321	447	73,725

	1934		1935	
	Tons	\$	Tons	\$
Spinning or textile fibre:				
Canada . . . . .	5,159	558,096	9,702	997,740
Shingle fibre:				
Canada . . . . .	16,722	682,078	23,933	1,061,513
Russia . . . . .	.....	.....	4,120	206,347
Paper fibre:				
Canada . . . . .	15,583	567,338	18,983	654,642
Asbestos, n.e.s., containing not over 15 per cent of foreign matter:				
Canada . . . . .	62,506	1,000,402	84,111	1,470,865
U.S.S.R. in Europe . . . . .	1,731	63,005	162	834
Italy . . . . .	220	1,774	467	5,202
Finland . . . . .	34	1,920	10	446
Malta, Gozos and Cyprus. . .	2,199	43,611	4,132	87,844
Total . . . . .	66,779	1,112,129	88,882	1,565,191

### NOTES ON THE IMPORTS

It may be observed that imports from Africa and Russia were mainly in the higher grades of spinning crudes due to the fact that only these grades can be imported profitably from such distant sources. On the other hand, the average value per ton of Canadian fibre was much lower because the deposits are near the consuming centres, permitting the importation of large quantities of short mill fibres. During the years 1929 to 1933 Canada supplied 100 per cent of the United States imports of mill fibre asbestos, and approximately 100 per cent of the stucco and other asbestos fibres. However, in the last class there were a few small shipments of this short fibre imported from Russia and Cyprus.

The United States imports of chrysotile crude asbestos fibre from Canada in 1935 constituted about 50 per cent of the imports and amounted to 1,382 tons valued at \$301,352, compared with 976 tons valued at \$218,649 in 1934, an increase of 41 per cent by volume and 37 per cent by value. The imports of chrysotile crudes from the Union of South Africa amounted to 578 tons valued at \$78,456, as against 395 tons valued at \$46,200 in 1934. The 1935 imports of 1,056 tons from Rhodesia were slightly lower than the 1934 tonnage of 1,070 tons although the value increased from \$135,812 to \$172,654 in 1935. The imports from Russia in 1935 amounted to 16 tons valued at \$7,351 as against 587 tons valued at \$26,434 in 1934.

Canada supplies no blue or amosite crude asbestos to the United States. These imports come chiefly from the Union of South Africa and Rhodesia.

The United States imports of spinning and textile fibres are all obtained from Canada. In 1935, 9,702 tons valued at \$997,740 were imported from Canada, compared with 5,159 tons at \$558,096 in 1934, an increase of 88 per cent in tonnage and 78 per cent in value.

Until 1935 the United States imports of shingle fibre asbestos came from Canada, but during that year Russia exported 4,120 tons valued at \$206,347. However, the 1935 imports from Canada amounted to 23,933 tons valued at \$1,061,513, as against 16,722 tons valued at \$682,078 in 1934, an increase of 43 per cent by volume and 55.6 per cent by value.

The United States also obtains her total supply of imports of paper fibre asbestos from Canada. The imports of this product showed an increase over 1934 imports but not so marked as the increase in other types of fibres. In 1935 Canada supplied the United States with 18,983 tons of paper fibre valued at \$654,642, compared with 15,583 tons valued at \$567,338 in 1934, an increase of 19 per cent by weight and 15.4 per cent by value.

Under the United States Customs classification of asbestos n.e.s., containing not over 15 per cent of foreign matter, Canada is the chief source of supply, the 1935 imports being 84,111 tons valued at \$1,470,865 as against 62,506 tons at \$1,000,402 in 1934. Cyprus supplied the next largest amount, the 1935 imports being 4,132 tons at \$87,844 compared with 2,199 tons valued at \$43,611 in 1934. Some small quantities were also imported from Russia and Italy.

The imports of short-fibred asbestos from Cyprus have increased greatly during recent years. Prior to 1933 they were negligible, in 1933 they amounted to 2,274 tons, in 1934 to 2,199 tons and in 1935 to 4,132 tons.

The statements made in the above section are all based upon the statistics of the United States Bureau of Foreign and Domestic Commerce. These show that Canada is the only supplier of paper fibre and spinning fibre; however, the United States also obtains spinning fibre from Rhodesia and South Africa, and paper fibre from Cyprus. The entry of these products apparently is made under such headings as chrysotile crudes and asbestos n.e.s. containing not over 15 per cent foreign matter.

### EXPORTS

Large quantities of asbestos products are exported from the United States. Recent exports under this category have consisted mainly of shingle stock of foreign origin blended in the United States and shipped mainly to Japan, Mexico, and Europe. Smaller exports of unmanufactured asbestos are also made, amounting to 1,705 tons (\$94,935) in 1932, 1,380 tons (\$88,520) in 1933, and 1,490 tons (\$94,180) in 1934.

### PRICES

Prices of asbestos fibres have fluctuated greatly during the past fifteen years. This is particularly true of Canadian asbestos, which in 1920, because of war stimulation, rose to unprecedented heights, crude No. 1 selling for more than \$3,000 per ton. In 1921 the price dropped to less than half of that amount, and by 1925 the highest grades were selling for only about one-eighth of the price received in 1920. From 1925 to 1929 there was a gradual rise in the prices of Canadian asbestos. This was followed by a decline in prices during the next few years and a gradual increase in price since 1933.

### MARKETING

The tendency over a period of years has been for the world sources of supply of asbestos to accumulate into strong hands. These few companies are themselves fabricators of asbestos products or sell for the most part to strong and well-organized buyers.

Centralized control by large units likewise makes possible the establishment of market agreements. For example, one English firm who virtually control the Rhodesian output of asbestos made an agreement with Russia five years ago whereby the European market was apportioned and price competition eliminated.

The passing of the chief sources of asbestos supplies into strong hands has resulted in these organizations developing into the vertical type. That is, they mine and mill the raw material and fabricate finished products. This is true of certain powerful companies controlling mines in Canada and factories in the United States. This is also true of Rhodesia and Russia, where in the latter case the state controls both production of raw materials and finished products.

The chief producing companies in Canada sell direct to consuming industries in the United States, or through dealers and distributing agents engaged in the asbestos trades and who sell in turn to consumers.

Canadian asbestos is sold f.o.b. mines in 100-pound or 125-pound bags, or on a per-ton basis of 2,000 pounds, bags included. Minimum carloads of fibre are 20 tons and of asbestos 30 tons. The volume of a ton ranges from 60 to 90 cubic feet, and the weight of a given volume varies with the length of fibre as the longer fibres are bulkier.

Sales terms are generally 2 per cent 10 days, or 30 days net. Specifications are based principally on fibre length, but strength, flexibility, colour, chemical consumption, and cleanliness may determine their use.

It is likewise true that new producers would experience some difficulty in marketing their output owing to the fact that manufacturers of asbestos products ordinarily place their orders twelve to eighteen months in advance of actual needs.

#### MARKET CONDITIONS IN THE UNITED STATES

The years 1933 and 1934 found very low levels in all capital goods industries in which asbestos is primarily used. There was, however, a considerable recovery in the automobile industry. In 1935 and 1936 there has been a wide expansion in the market for raw asbestos. A greater diversity in use, coupled with great expansion in automobile and aeroplane production, new demands in the building industry and heat insulation have steadily increased consumption.

### PAPER INDUSTRY AND TRADE OF JAPAN IN 1935

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, June 10, 1936.—During recent years industrial production and consumption in Japan have continued to increase and this is particularly noticeable in the paper industry, production during the year 1935 showing an increase of 8 per cent and sales of 4·7 per cent in comparison with the previous twelve months. The average rate of curtailment by members of the Japan Paper Manufacturers' Association, due to an increasing domestic demand for paper, was reduced from 46 per cent in 1934 to 43 per cent in August, 1935. The Oji Paper Manufacturing Company, the largest paper-producing concern in Japan, with a capital of 150,000,000 yen, showed a profit of 13·5 per cent over that of 1934. Statements issued by the various other paper-manufacturing companies covering their activities during the year were not so favourable, due to the fact that paper prices were regulated by the Major Industry Control Law, which did not permit higher prices to fall in line with increased costs of raw materials. The Oji Paper Manufacturing Company is the only concern in Japan which is self-sufficient in pulp, the other paper-manufacturing concerns, with the possible exception of the Hokuyetsu Paper Manufacturing Company, which manufactures a small quantity of pulp, must rely on local or foreign supplies for their requirements.

#### PROFITS OF THE INDUSTRY

In the following statement the business profits of the three largest paper manufacturing companies, who control the production and sale of over 90 per cent of the output by members of the Japan Paper Manufacturers' Association, are shown:—

	1934 Yen	1935 Yen	Inc. or Dec. Per Cent
Oji Paper Manufacturing Company . . .	19,968,233	22,663,064	+13·5
Mitsubishi Paper Manufacturing Co. . .	897,148	892,532	— 0·5
Hokuyetsu Paper Manufacturing Co. . .	937,417	841,096	—10·3

The total imports of paper during 1935, when compared with the previous period, increased by 20·9 per cent in quantity and by 23·1 per cent in value. Newsprint accounted for about 78·45 per cent of the total paper imports, showing an increase of 34·4 per cent in quantity over the previous year's foreign purchases and 55 per cent in value.

The next import item of importance was packing and match paper which, however, showed a 42·4 per cent decrease in quantity from the previous year, while imitation parchment (simili) showed an increase of 56·2 per cent. Canada supplied 75·16 per cent of the imported paper, followed by Sweden, Norway, Germany, Great Britain, and the United States.

Exports of paper and paper products during 1935 showed improvement, the quantity increasing by 16.1 per cent and the value by 11.8 per cent, due largely to increasing demand from Asiatic countries.

The general opinion of the trade is that the production and sale of various types of paper will continue to show an increase during 1936, but that with the exception of one or two mills, the manufacturers will be faced with higher costs in so far as raw materials are concerned. Imports will amount to a higher figure, especially so as regards newsprint, which during the first four months of 1936 has shown an increase of about 60 per cent over the same period in 1935 and amounted to 28,866 short tons (18,332 short tons for the similar period of 1935).

#### NUMBER OF MACHINES

The number of paper making machines in operation at the end of 1935 increased by 5 over those in use during the previous year and numbered 160 in all, with a total capacity of 15,594 inches, an increase of 442 inches over 1934.

#### PULP

The total consumption of pulp during 1935 when compared with the previous year increased by 6.5 per cent and amounted to 743,942 long tons. The consumption of chemical pulp is placed at 433,800 long tons or 58.3 per cent of the total quantity used, 328,177 long tons of which were produced by the paper manufacturers' own mills. Some 34,615 long tons (32.8 per cent) were purchased from other domestic sources and 71,008 long tons (67.2 per cent) were imported. Concerning the consumption of groundwood pulp amounting to 310,142 long tons, which represents 41.7 per cent of the whole pulp consumed and an increase of 4.6 per cent over the previous year, paper producers accounted for 305,830 long tons and other local pulp 4,312 long tons.

#### PAPER

The total production of paper amounted to 859,819 short tons, an increase of 8 per cent. The most important item in the paper trade of Japan was newsprint, which accounted for 43 per cent of the total output, showing an increase of 6.9 per cent when compared with 1934. Packing paper showed a decrease of 5.8 per cent and accounted for 12.4 per cent of production, thus newsprint and packing papers made up more than half of the total paper production in Japan. The balance consisted of various kinds of paper, the more important of which is simili, which increased by 26.5 per cent; writing and drawing, by 16.3 per cent; art paper, by 46.8 per cent; rolled "Hanshi," by 12.8 per cent; machine-made Japanese-style paper, by 14.8 per cent; pasteboard, by 20.6 per cent; coloured paper decreased by 4.1 per cent.

As regards sales, newsprint, packing paper, printing paper (machine finished) and super-calendar printing paper accounted for more than 75 per cent of the disposals. Sales of newsprint amounted to 43.41 per cent of the total, an increase of 6.1 per cent in quantity. The total sales of packing paper were 13.48 per cent of the paper disposed of, or an increase of 7.2 per cent.

The increased sales of newsprint were probably due to keen competition among the leading dailies to put out special editions and enlarged daily news sheets, and the increase in packing paper from the increased buying capacity of the general public. Ordinary printing paper, writing and drawing paper, and art paper all showed increased sale, as against the previous year, but the sale of fine printing paper, coloured paper, and pasteboard paper all decreased. As regards sales, the Oji Paper Manufacturing Company is credited with 95 per cent of the total, which consists mostly of newsprint and packing paper, the remainder being divided between Mitsubishi, Hokuyetsu, and some smaller companies.

*Production and Sales of Various Kinds of Paper with Percentages*

	Production		Sales	
	1934 Cwts.	1935 Cwts.	1934 Cwts.	1935 Cwts.
Newsprint.. . . . .	6,882,276 (43.24%)	7,362,451 (42.81%)	6,872,829 (42.80%)	7,295,858 (43.41%)
Packing .. . . . .	2,260,714 (14.20%)	2,129,464 (12.40%)	2,111,856 (13.15%)	2,265,409 (13.48%)
Printing, machine-finished .. . .	1,564,565 (9.83%)	1,705,895 (9.92%)	1,584,431 (9.86%)	1,645,639 (9.77%)
Printing, super-calendar .. . .	1,425,909 (8.96%)	1,535,746 (8.93%)	1,467,249 (9.14%)	1,459,925 (8.69%)
Simili .. . . . .	992,774 (6.24%)	1,256,425 (7.31%)	1,060,150 (6.60%)	1,074,822 (6.40%)
Pasteboard .. . . . .	757,251 (4.77%)	798,448 (4.74%)	862,129 (5.38%)	791,245 (4.71%)
Writing and drawing .. . . . .	510,822 (3.21%)	594,525 (3.45%)	518,778 (3.23%)	563,977 (3.37%)
Rolled "Hanshi" .. . . . .	407,068 (2.56%)	459,571 (2.67%)	406,869 (2.53%)	413,971 (2.46%)
Art .. . . . .	229,678 (1.44%)	337,145 (1.96%)	241,907 (1.51%)	301,552 (1.79%)
Machine-finished Japanese-style.	254,956 (1.60%)	292,698 (1.60%)	297,667 (1.85%)	285,950 (1.70%)
Coloured .. . . . .	140,233 (0.88%)	134,442 (0.78%)	139,672 (0.87%)	125,791 (0.75%)
Miscellaneous .. . . . .	488,503 (3.07%)	589,565 (3.43%)	495,312 (3.08%)	582,563 (3.47%)
Total .. . . . .	15,914,749 (100.0%)	17,196,375 (100.0%)	16,058,849 (100.0%)	16,806,702 (100.0%)

The total number of mills coming under the control of the Japan Paper Manufacturers' Association is 48. Of this total, 23 are engaged solely in the manufacture of paper, 24 in paper and pulp production, and 1 in the manufacture of pulp only. Of the total, 33 mills are controlled by the Oji company, 3 by the Hokuyetsu company, and 2 by Mitsubishi and the Japan Paper Industry company.

The Oji company controls 83.28 per cent of the total production of paper and practically the entire manufacture of newsprint, although the Hokuyetsu company produced 15,969 short tons of newsprint in 1935, as against 15,330 short tons in 1934. About 97 per cent of the total production of packing paper is turned out of the Oji mills.

*IMPORTS*

Over 76 per cent of the total imports of paper come through the port of Yokohama, 10.62 per cent into Kobe, and the remainder into Osaka and Moji. This is due to the fact that Yokohama adjoins Tokyo, which is the largest paper-consuming centre.

With the exception of Osaka and Moji, where a decrease of 5.4 per cent occurred, imports of paper into these ports for 1935 as compared with 1934 showed an increase. Quantities imported through Yokohama increased by 26.8 per cent, and through Kobe by 20.5 per cent, while the total tonnage from foreign sources increased by 20.9 per cent and 23.1 per cent in value.

*Imports of Paper by Ports*

	1934 Cwts.	1935 Cwts.	1934 Yen	1935 Yen
Yokohama.. . . . .	1,011,177	1,282,358	7,336,445	9,513,684
Kobe.. . . . .	147,547	177,854	2,041,469	2,319,034
Osaka and Moji.. . . .	226,841	214,604	2,547,655	2,854,138
Total.. . . . .	1,385,565	1,674,816	11,925,569	14,686,856

According to the countries of origin during 1935, Canada led other suppliers of paper by accounting for 75 per cent of the total tonnage imported, followed by

Sweden with 8.27 per cent and Norway with 3.70 per cent. Imports from Canada during this period showed an increase of 14.3 per cent. Percentage increases from other sources of supply were as follows: Sweden, 20.2; Norway, 187.4; Germany, 18.1; Great Britain, 21.5; United States, 70.3; Netherlands, 175.1; Czechoslovakia, 232.5; and Austria, 427.1.

In the total value of imports, Canada headed the list and accounted for 49.45 per cent of the total. When the value for 1934 is compared with that for the previous year, Canadian paper shipments showed an increase of 1,275,283 yen (21.3 per cent).

*Imports of Paper by Principal Countries of Origin and Percentages*

	1934 Cwts.	1935 Cwts.	1934 Yen	1935 Yen
Canada . . . . .	1,101,414 (79.49%)	1,258,817 (75.16%)	5,987,516 (50.21%)	7,262,799 (49.45%)
Sweden . . . . .	115,272 (8.32%)	138,553 (8.27%)	1,495,036 (12.54%)	1,858,432 (12.65%)
Norway . . . . .	21,572 (1.56%)	61,989 (3.70%)	299,385 (2.51%)	590,635 (4.02%)
Germany . . . . .	48,172 (3.48%)	56,889 (3.40%)	1,450,485 (12.16%)	1,697,209 (11.56%)
Great Britain . . . . .	45,001 (3.25%)	54,669 (3.26%)	1,136,342 (9.53%)	1,145,507 (7.80%)
United States . . . . .	28,980 (2.09%)	49,351 (2.95%)	565,544 (4.74%)	642,568 (4.38%)
Netherlands . . . . .	9,007 (0.65%)	24,782 (1.48%)	181,628 (1.52%)	495,109 (3.37%)
France . . . . .	6,003 (0.43%)	8,294 (0.50%)	443,428 (3.72%)	418,649 (2.85%)
Czechoslovakia . . . . .	1,971 (0.14%)	6,553 (0.39%)	42,607 (0.36%)	138,303 (0.94%)
Austria . . . . .	1,069 (0.08%)	5,635 (0.34%)	22,965 (0.19%)	118,478 (0.81%)
China . . . . .	2,689 (0.19%)	4,235 (0.25%)	118,451 (0.99%)	180,717 (1.23%)
Switzerland . . . . .	318 (0.02%)	1,863 (0.11%)	43,368 (0.36%)	27,127 (0.18%)
Belgium . . . . .	1,434 (0.10%)	880 (0.05%)	81,305 (0.68%)	28,502 (0.19%)
Other . . . . .	2,663 (.....)	2,306 (.....)	57,509 (2.11%)	82,821 (2.04%)
Total . . . . .	1,385,565 (100.0%)	1,674,816 (100.0%)	11,925,569 (100.0%)	14,686,856 (100.0%)

The quantity of paper imported during 1935 amounted to 1,674,816 cwts., of which amount 78.45 per cent was newsprint, 8.54 per cent packing and match paper, and 6.75 per cent imitation parchment (simili). The lines showing decreased importation when compared with foreign purchases during the previous year were packing and match, printing and writing papers.

Newsprint accounts for 50.70 per cent of the total value of the imports, packing and match paper, 11.34 per cent; and imitation parchment, 17.04 per cent.

*Imports of Paper by Kinds, with Percentages*

	1934 Cwts.	1935 Cwts.	1934 Yen	1935 Yen
Newsprint . . . . .	977,551 (70.55%)	1,313,948 (78.45%)	4,783,293 (40.11%)	7,446,811 (50.70%)
Packing and match . . . . .	247,985 (17.90%)	142,943 (8.54%)	2,592,002 (21.73%)	1,665,075 (11.34%)
Imitation parchment (simili) . . . . .	72,435 (5.23%)	113,132 (6.75%)	1,654,038 (13.87%)	2,503,035 (17.04%)
Imitation Japanese and tissue . . . . .	12,091 (0.87%)	26,325 (1.57%)	306,295 (2.57%)	581,790 (3.96%)
Printing . . . . .	27,944 (2.02%)	21,459 (1.28%)	670,027 (5.62%)	554,252 (3.77%)
Writing . . . . .	17,108 (1.23%)	16,643 (0.99%)	462,552 (3.88%)	429,580 (2.93%)

*Imports of Paper by Kinds, with Percentages—Concluded*

	1934 Cwts.	1935 Cwts.	1934 Yen	1935 Yen
Pasteboard . . . . .	11,705 (0.84%)	13,194 (0.79%)	443,411 (3.72%)	402,448 (2.74%)
Coloured . . . . .	10,552 (0.76%)	11,147 (0.67%)	175,016 (1.47%)	152,610 (1.04%)
Chinese . . . . .	2,689 (0.19%)	3,607 (0.22%)	108,260 (0.91%)	163,199 (1.11%)
Drawing . . . . .	2,577 (0.19%)	2,361 (0.14%)	200,945 (1.68%)	185,449 (1.26%)
Blotting . . . . .	732 (0.05%)	1,411 (0.08%)	17,062 (0.14%)	36,178 (0.25%)
Art . . . . .	191 (0.01%)	557 (0.03%)	21,832 (0.18%)	44,050 (0.30%)
Wall . . . . .	866 (0.06%)	445 (0.03%)	86,757 (0.73%)	45,064 (0.31%)
Filter . . . . .	18 (.....)	22 (.....)	20,122 (0.17%)	18,957 (0.13%)
Oiled . . . . .	..... (.....)	15 (.....)	..... (.....)	1,052 (0.01%)
Cigarette . . . . .	1 (.....)	8 (.....)	181 (.....)	3,561 (0.02%)
Other . . . . .	1,120 (0.10%)	7,599 (0.46%)	132,817 (1.11%)	154,450 (1.05%)
Quantity unknown.. . . .	..... (.....)	..... (.....)	250,959 (2.11%)	299,295 (2.04%)
Total . . . . .	1,385,565 (100.0%)	1,674,816 (100.0%)	11,925,569 (100.0%)	14,686,856 (100.0%)

## NEWSPRINT

Newsprint is the most important item in the paper import trade of Japan, accounting for 78.45 per cent of the total tonnage. The quantity brought in during 1935, when compared with the previous year, showed an increase of 34.4 per cent, and if values are compared with 1934, a 55.7 per cent increase. This increase, as will be seen from the following table, took place largely in imports from Canada, which country enjoys about 85 per cent of the total purchases. However, this represents a decline in Canada's share of the newsprint business if the percentage of her share of the total imports for 1935 are compared with her share of the tonnage brought in during 1934. This decline may be attributed to increasing tonnage from the United States, Norway, and Great Britain.

	1934 Cwts.	1935 Cwts.	1934 Yen	1935 Yen
Canada.. . . .	952,413	1,096,997	4,591,502	6,134,229
United States.. . . .	20,001	159,137	115,911	888,974
Norway.. . . .	887	39,690	8,692	259,910
Great Britain.. . . .	3,033	14,883	50,349	136,387
Netherlands.. . . .	749	2,429	10,339	20,576
China.. . . .	.....	623	.....	4,250
Belgium.. . . .	.....	168	.....	1,963
Germany.. . . .	24	21	1,607	1,422
Sweden.. . . .	95	.....	1,920	.....
Other.. . . .	349	.....	2,973	.....
Total.. . . .	977,551	1,313,948	4,783,293	7,446,811

## IMITATION JAPANESE AND TISSUE PAPER

The increase in the importation of this commodity during 1935 when compared with the previous year is largely due to increased imports from Sweden and Norway. A point of particular interest is that while in 1934 Canada made no sales to Japan, during 1935 something over 2,144 cwts. were shipped to Japan.

	1934 Cwts.	1935 Cwts.	Inc. or Dec. Per Cent	1934 Yen	1935 Yen	Inc. or Dec. Per Cent
Sweden . . . . .	8,975	14,919	+ 66.2	124,090	228,945	+ 84.5
Norway . . . . .	688	5,553	+ 707.1	12,616	94,107	+ 645.9
Germany . . . . .	2,043	2,293	+ 12.2	138,694	188,102	+ 35.6
Canada . . . . .	.....	2,144	.....	.....	24,360	.....
United States . . . . .	67	555	+ 726.9	13,049	6,733	- 48.4
Netherlands . . . . .	137	145	+ 5.8	2,783	2,597	- 6.7
Great Britain . . . . .	151	121	- 19.9	5,569	14,029	+ 151.9
Other . . . . .	30	595	+ 1,833.3	9,494	22,917	+ 141.4
Total . . . . .	12,091	26,325	+ 117.7	306,295	581,790	+ 89.9

## WRITING PAPER

This commodity is chiefly imported from Great Britain, the United States, and Norway. Imports from all countries except Norway and Canada, as shown in the following table, showed an increase:—

	1934 Cwts.	1935 Cwts.	Inc. or Dec. Per Cent	1934 Yen	1935 Yen	Inc. or Dec. Per Cent
Great Britain . . . . .	7,285	7,288	+ 0.1	215,224	217,328	+ 1.0
United States . . . . .	3,411	3,641	+ 6.7	82,770	97,846	+ 18.2
Norway . . . . .	2,363	2,117	- 10.4	39,544	35,428	- 10.4
Sweden . . . . .	1,261	1,661	+ 31.7	26,915	36,029	+ 33.9
Austria . . . . .	901	1,063	+ 18.0	15,245	21,751	+ 42.7
Canada . . . . .	493	407	- 17.4	11,018	8,772	- 20.4
Germany . . . . .	256	343	+ 34.0	7,458	8,406	+ 12.7
Netherlands . . . . .	27	95	+ 251.9	1,047	2,824	+ 169.7
Other . . . . .	1,111	28	- 97.5	63,331	1,196	- 98.1
Total . . . . .	17,108	16,643	- 2.7	462,552	429,580	- 7.1

## IMITATION PARCHMENT PAPER (SIMILI)

This is the third largest item in paper imports, and as imitation parchment (simili) originated chiefly in Germany and Sweden, over one-half of the total imports come from these two countries, although Netherlands sales showed a remarkable increase of 324 per cent. Imports from Germany increased by 32.8 per cent in quantity, and from Sweden by 52.8 per cent; from France they fell by 1.3 per cent. The parchment coming from France is of a high grade and the price per pound is higher than that from other countries. It is used for such purposes as the manufacture of lamp shades. Total imports for the period under review, when compared with those of 1934, increased by 56.2 per cent in quantity and by 51.3 per cent in value.

	1934 Cwts.	1935 Cwts.	1934 Yen	1935 Yen
Germany . . . . .	30,693	40,763	762,528	981,752
Sweden . . . . .	15,884	24,273	282,385	434,047
Netherlands . . . . .	4,791	20,348	117,939	441,674
Norway . . . . .	15,127	11,161	202,597	155,624
Czechoslovakia . . . . .	1,921	6,553	40,422	138,029
Great Britain . . . . .	1,309	3,132	30,868	78,001
France . . . . .	988	975	122,228	111,630
United States . . . . .	12	47	1,506	4,871
Other . . . . .	1,710	5,880	93,565	157,407
Total . . . . .	72,435	113,132	1,654,038	2,503,035

## PACKING AND MATCH PAPER

Of the total imports of packing and match paper, packing paper accounts for practically the whole of the imports under this heading. Packing paper, or kraft paper, comes mainly from Canada and Sweden, these two countries accounting for roughly 85 per cent of the imports. Foreign purchases of kraft during 1935 declined by 42.4 in quantity: those from Canada by 72.5 per

cent, due in all probability to the application of the Japanese Trade Protection Law and the 50 per cent ad valorem surtax. Imports from Sweden increased by 11·8 per cent in tonnage, and from Norway by 97·5 per cent. Other exporting countries showed a decline in total sales. During the present year it is expected that Canadian kraft will be purchased in increasing quantities as it is much in demand by the trade.

*Imports of Packing and Match Paper*

	1934	1935	1934	1935
	Cwts.	Cwts.	Yen	Yen
Sweden.. . . . .	84,105	94,021	958,276	1,080,867
Canada.. . . . .	148,484	40,799	1,375,857	440,929
Germany.. . . . .	6,885	3,525	147,868	77,036
Norway.. . . . .	1,228	2,425	13,999	28,249
United States.. . . . .	1,313	1,591	26,860	29,485
Netherlands.. . . . .	1,919	389	21,884	5,039
France.. . . . .	259	79	3,001	2,162
Great Britain.. . . . .	3,348	38	39,051	468
Other.. . . . .	444	76	5,206	840
Total.. . . . .	247,985	142,943	2,592,002	1,665,075

JAPAN'S PAPER TRADE WITH CANADA

The following summarizes the situation and may to some extent duplicate the statements already given. Canada is now the most important source of supply of paper to Japan. In 1935 the trade was valued at 7½ million yen, representing about 15 per cent of the total imports of all commodities from the Dominion. Newsprint accounts for nearly 90 per cent of the total imports of paper from Canada, the remaining 10 per cent being made up largely of packing or kraft paper. Owing to an increase in the consumption of newsprint, attributed to the publication of special editions and larger sheets by the daily and weekly newspapers, it is expected that imports during 1936 will continue to increase. This is borne out by the imports during the first four months of the present year, which show an increase of 57·5 per cent in quantity and 58·6 per cent in value if compared with the same period in 1935.

EXPORTS

Exports of paper in 1935 showed an increase of 16·1 per cent in quantity, all countries, with the exception of Siam, to which Japan has exported papers, sharing in these increased purchases. As regards Siam, purchases declined by 30·6 per cent in quantity.

Exports from the standpoint of quantity showed the following percentage increases: Kwantung Province, 13·4; China, 1·8; British India, 43·8; Hongkong, 30·3; Manchukuo, 33·4; Dutch East Indies, 76·2; Straits Settlements, 26·2; Philippine Islands, 10·4; United States, 40·7; Australia, 252·4. In value percentage increases were: Kwantung Province, 4·5; China, 6·8; British India, 47·5; Hongkong, 33·4; Manchukuo, 30·9; Dutch East Indies, 45·2; Straits Settlements, 17·2; Philippine Islands, 8·1; United States, 32·8; Australia, 206·2.

According to varieties of paper, foreign-style paper advanced by 25·4 per cent in quantity and by 31·1 per cent in value. Japanese native-style paper decreased by 44·0 per cent in quantity and by 23·6 per cent in value. In foreign-style paper, newsprint increased by 158·5 per cent in quantity and by 197·6 per cent in value; printing paper, by 6·9 per cent and by 11 per cent respectively; packing paper, 2 per cent in quantity but a decrease of 5·2 per cent in value; and cigarette paper showed a reduction of 0·9 per cent in quantity but an increase of 9·6 per cent in value.

The grand total of all kinds of paper exported from Japan (including pasteboard and "other") in 1935 was 1,999,749 cwts. valued at 23,084,574 yen compared with 1,723,066 cwts. valued at 20,650,253 yen in 1934. The following table gives the exports of foreign-style paper:—

*Exports of Foreign-style Paper by Varieties*

	1934 Cwts.	1935 Cwts.	1934 Yen	1935 Yen
Printing.. . . . .	772,180	825,155	7,675,365	8,518,218
Simili.. . . . .	.....	164,801	.....	2,167,554
Cigarette.. . . . .	67,556	66,956	2,158,900	2,365,478
Packing.. . . . .	53,519	54,572	738,541	700,528
Newsprint.. . . . .	6,776	17,513	66,780	198,724
Total.. . . . .	900,031	1,128,997	10,639,586	13,950,502

*Aggregate Exports of Paper by Countries of Destination*

	1934 Cwts.	1935 Cwts.	1934 Yen	1935 Yen
Kwantung Province.. . .	575,509	652,936	6,851,048	7,157,964
China .. . . . .	533,184	542,625	6,152,897	6,571,619
British India .. . . .	166,716	239,788	750,426	1,107,093
Hongkong.. . . . .	134,240	174,861	1,251,153	1,668,593
Manchukuo.. . . . .	118,551	158,137	1,933,899	2,532,346
Dutch East Indies .. .	44,828	78,989	514,085	746,655
Siam.. . . . .	72,927	50,637	740,936	512,194
Straits Settlements .. .	26,445	33,364	293,931	344,440
Philippine Islands .. .	16,173	17,857	263,424	284,809
United States .. . . .	10,049	14,147	636,404	845,458
Australia.. . . . .	3,626	12,778	66,850	204,723
Other.. . . . .	20,818	23,630	1,195,200	1,108,671
Total.. . . . .	1,723,066	1,999,749	20,650,253	23,084,574

EXPORTS OF PAPER MANUFACTURES

The total exports of paper manufactures in 1935 were valued at 13,427,786 yen compared with 10,678,772 yen in 1934, an increase of 25·7 per cent. Exports of scrap paper, including old newspapers, and cigarette mouthpieces declined; all other products showed an increase.

**JAPANESE SPRING COCOON CROP**

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, July 17, 1936.—According to a report just issued by the Ministry of Agriculture and Forestry, the production of spring cocoons will amount to 326,546,050 pounds during the 1936 growing season. This estimated yield, when compared with the actual crop of spring cocoons during the previous year, shows a reduction of 10·6 per cent. This decrease is attributed to a reduction in the area planted to mulberry trees in accordance with the plan for a controlled production of cocoons, and to damage sustained by trees during the severe weather conditions prevailing during the budding period.

Of the total estimated yield, 233,863,711 pounds are white cocoons and 92,682,339 pounds yellow cocoons. The following figures give the quantity of spring cocoons produced during the years 1931 to 1935: 1931, 435,410,482 pounds; 1932, 383,527,627; 1933, 413,517,300; 1934, 400,053,652; 1935, 365,207,908; 1936, 326,546,050 pounds (estimate).

## MOTOR CAR INDUSTRY LAW OF JAPAN

A report on the Japanese Automobile Industry Control Bill was published in *Commercial Intelligence Journal* No. 1650 (September 14, 1935). This measure has now been passed, and was promulgated on May 29. The following summarizes its main features:

The motor car industry in Japan is still in its infancy, and the supply depends mainly on imports. The object of the law is to promote the national motor car industry. The principal features of the law are as follows:—

(1) The manufacture or assembling of motor cars or motor-car parts are subject to the permission of the Government, excepting small manufacturers.

(2) Permission shall be granted to companies only in which more than half the total shares or votes of shareholders belong to Japanese citizens or Japanese juridical persons.

(3) Authorized companies are exempt from income taxes and business profit taxes for a period of five years after the enforcement of the law.

(4) Imports of machinery, tools and materials necessary for the industry are free of duty, when such imports are permitted by the Government.

(5) Authorized companies are empowered to issue debentures to the amount of twice their paid-up capital.

(6) The Government may, if necessary, restrict imports of motor cars and motor-car parts, or impose an additional duty not exceeding 50 per cent ad valorem.

The date of enforcement of the law is to be decided by Imperial ordinance.

## STORAGE BATTERY TRADE IN CENTRAL CHINA

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

Shanghai, July 7, 1936.—A recent inquiry undertaken by this office regarding the prospects in Central China for imported storage batteries suggests that it would be difficult to introduce a new brand to the Shanghai market in the face of the competition from foreign brands already established, plus the fact that the domestic production of storage batteries, protected by a tariff of 25 per cent ad valorem, has developed to the point where the domestic industry is an important factor and is expected to grow at the expense of importations.

### DEMAND FOR AUTOMOTIVE TRADE

Imports of storage batteries are not classified separately in the statistical returns, and it is therefore not possible to show the number of units imported from year to year. A rough estimate of the requirements of this market as far as the motor vehicles trade is concerned can, however, be made from the vehicles in use which, for the whole of China proper, are estimated at 50,000 cars, trucks, and buses. The demand for batteries in the automotive trade in China is therefore limited even by comparison with a fairly large city in Canada.

As far as Central China is concerned, Shanghai is outstandingly the most important centre, and it is estimated that the foreign-controlled area of this city alone accounts for approximately 30 per cent of the total number of cars, trucks, and buses in China at the present time.

## DEMAND FOR OTHER PURPOSES

In addition to the outlet for storage batteries in the automotive trade, there is a demand for various types of storage batteries for the use of Government departments both for industrial and military purposes, for radios, particularly in the interior, and for various private industrial enterprises throughout the country.

## IMPORTED BATTERIES

Although efforts have been made by British and also Japanese manufacturers to export to China, the trade in foreign-made batteries is practically controlled by the United States. The majority of the better-known American brands have been established in this market for a number of years and have been supported by continual advertising, competitive prices, and a reputation for durability.

## DOMESTIC COMPETITION

While American batteries predominate as far as imports are concerned, there is keen competition from the local manufacturing industry in Shanghai, which consists of two firms operating on a substantial scale, three or four others turning out a fair number of batteries, and quite a few small shops, garages, etc., making cheap-priced batteries, sometimes from second-hand parts.

In the absence of statistics covering imports of either complete batteries or parts, plus the difficulty of tracing the volume of production by small repair shops, garages, etc., which leads to conflicting opinions among dealers in the battery trade itself, it is difficult to arrive at any conclusion as to just how far the domestic industry has actually succeeded in displacing imported batteries. Broadly speaking, however, the consensus of opinion seems to be that probably from 50 to 60 per cent of the total requirements of the Central China market are now being supplied by firms manufacturing batteries in Shanghai.

In the above connection, it is understood that the two leading Chinese battery makers enjoy practically all of the Chinese Government orders, which run into considerable amounts and include, in addition to batteries for cars, batteries for various other Government enterprises already referred to.

## PRICE COMPETITION

As far as batteries for private car owners are concerned, the locally made product does not appear to have made the same headway as in the case of Government contracts, and many car owners, particularly among the foreign resident population, still prefer to pay more for a foreign battery which they consider to be a better product with a more satisfactory guarantee as to serviceability. On the other hand, Chinese car owners in general do not pay the same attention to the length of guarantee provided the price is lower, and as the Chinese constitute by far the majority of car owners in Shanghai, there is a growing tendency in favour of the low-priced battery, which helps the local industry to compete against imports.

Satisfactory data on prices—even retail quotations—is hard to obtain owing to the more or less disorganized state of this trade in Shanghai where, in addition to regular battery dealers, there are a wide number of small repair shops selling batteries, as a result of which the keen competition has led to the practice of quoting various discounts below list quotations, and under these conditions it is possible to buy batteries at widely varying prices.

However, in general it is calculated that a good-quality 6-volt, 11- or 13-plate imported battery can be obtained on the average by the private car owner for around Shanghai \$30 (approximately Canadian \$9), whereas a similar

locally made product can be had for say Shanghai \$20 (Canadian \$6). These prices apply to more or less recognized brands, but of course do not take into account the haphazard production by small shops which can afford to sell inferior batteries for considerably less than Shanghai \$20.

One or two firms importing from the United States, while admitting that the prices of their regular line of batteries are higher than that of the domestic producers, nevertheless claim to be offering certain imported brands in cheaper qualities at prices which compare favourably with batteries made in Shanghai.

It will be evident from the foregoing that in this relatively small market, where price counts above quality, the prospects for introducing a new Canadian brand of storage battery are not encouraging, unless a satisfactory article could be offered with some definite price inducement to meet the domestic competition along the same lines that apparently some American firms are carrying on, as just mentioned, when it is possible that some business might result.

#### CHIEF DEMAND

The chief demand in this market for the motor-car trade is for 6-volt, 11- and 13-plate batteries equipped with plates in the standard size,  $5\frac{5}{8}$  by  $4\frac{3}{4}$  inches in  $\frac{1}{8}$ -inch thickness. This is the popular size used by the average light- and medium-weight American-type cars which predominate in the Shanghai market. There is also a certain amount of business done in 15-plate batteries for larger American cars, and a small outlet exists for 12-volt batteries used mainly in European cars.

The conditions under which a car operates in Shanghai are considered to be hard on batteries. This is due chiefly to the fact that the traffic is extremely congested in the centre of the city, and as there are few places to go to outside of Shanghai, there is little opportunity for batteries to be recharged on long runs. The same general condition, although on a smaller scale, applies pretty well to Nanking, Hankow and other cities in Central China.

#### PARTS FOR LOCALLY MADE BATTERIES

Practically all the imported parts such as boxes, covers, plates and separators for storage batteries made in Shanghai are imported from the United States.

Some time ago it is understood that Japanese manufacturers attempted to introduce battery boxes to this market, but the quality was not considered satisfactory. The usual standard sizes of boxes made of all rubber are in demand here, the main call being for boxes used in the manufacture of 6-volt, 11- and 13-plate batteries. There is no sale for boxes made of composition. It is reported that recent prices for American battery boxes in the above-mentioned sizes worked out at around U.S.\$1 per box, duty paid. The duty on batteries and parts is 25 per cent ad valorem, and there is a surcharge of 10 per cent of the duty. If competitive prices can be offered, it is possible that some business might be obtained for Canadian battery boxes in this market.

As regards plates, while one or two importers are selling American-made battery plates in this market to certain consumers, including the repair trade, two of the largest battery manufacturers in Shanghai are understood to be making their own plates from material imported from the United States, and it is considered that there would be very little chance under present conditions to introduce a Canadian battery plate to this market on a competitive basis.

Most of the separators used by local manufacturers are Port Orford cedar separators, imported from the United States, although one or two importers also offer spruce separators. The usual standard sizes are in demand.

## TRADE COMMISSIONERS ON TOUR

Mr. V. E. Duclos, Canadian Trade Commissioner at Hongkong (whose territory includes South China, the Philippines, and Indo-China); and Mr. L. M. Cosgrave, Canadian Trade Commissioner at Melbourne, Australia, are at present on tour in Canada in the interest of Canadian trade with their respective territories.

Their itineraries are as follows:—

### Mr. Duclos

Hamilton . . . . .	Aug. 18 and 19	Paris and Brantford. . .	Aug. 24
Welland. . . . .	Aug. 20	Woodstock and London .	Aug. 25 and 26
Guelph . . . . .	Aug. 21	Windsor. . . . .	Aug. 27
Kitchener . . . . .	Aug. 22	Toronto. . . . .	Aug. 28 to 31

### Mr. Cosgrave

Winnipeg . . . . .	Sept. 7	Calgary . . . . .	Sept. 10
Portage la Prairie . .	Sept. 8	Edmonton . . . . .	Sept. 11
Regina . . . . .	Sept. 9	New Westminster. . . .	Sept. 14 and 15

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Winnipeg and Edmonton, with the office of the Canadian Manufacturers Association; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### Trade Agreement Between the United Kingdom and Soviet Russia

The Canadian Trade Commissioner in London writes under date July 31, 1936, that the President of the Board of Trade has announced that arrangements have been made for increased facilities for exports to the Soviet Union of goods manufactured in the United Kingdom. Under this agreement, the Export Credits Guarantee Department of the British Government will give guarantees to cover orders which the Soviet Government organizations will, within the next twelve months, place in the United Kingdom for goods to the value of £10,000,000. The orders are to be for goods the manufacture of which will give rise to a substantial amount of employment in the United Kingdom. The Export Credits Guarantee Department have made arrangements which will enable the Soviet Government to pay cash for all these orders and the method of finance will be as follows:—

The Soviet Government will from time to time issue notes carrying interest at 5½ per cent and payable in five years. The principal and interest of these notes will be guaranteed by the Export Credits Guarantee Department. The notes will then be sold through banks and the money thus provided will be credited to the Soviet trade representatives in London, to be used solely for the purpose of paying for the goods ordered under the agreement. As the notes will be equivalent to a British Government security, they will command a premium and this will be set aside by the Export Credits Department to form a reserve against possible loss. It is probable that the bulk of the money will be spent on machinery and industrial equipment.

### United Kingdom Tariff Revision Proposals

The Import Duties Advisory Committee of the United Kingdom give notice that they have been requested by the President of the Board of Trade to examine the present position of the iron and steel industry in the light of all the data now available, and in so far as is practicable to report, with due regard to the national interest, on the general lines of its future development.

The Committee also give notice of an application for the addition to the Free List of diatomaceous earth other than raw diatomaceous earth as quarried, which is already free of duty.

(The present duties on iron and steel products range from 10 per cent to 33½ per cent ad valorem, with provision in certain cases for minimum specific rates per ton. Diatomaceous earth, other than raw earth as quarried, is at present 10 per cent ad valorem. All these goods when Canadian or British Empire products within the meaning of the Imperial Preference regulations are admissible into the United Kingdom duty free.)

The Committee announce that they have decided not to make any recommendation in respect of the application previously advertised (see *Commercial Intelligence Journal* No. 1679, April 4, 1936) for an increase in the import duty on certain powdered graphite, plumbago and blacklead.

### Irish Free State Increases Tire Quotas

Mr. James Cormack, Canadian Trade Commissioner in Dublin, writes that, due to a greater demand than had been anticipated, the Irish Free State Executive Council on July 28 increased the import quota on outer covers of specified sizes for motor cars from 100 to 1,100 for the twelve-month period ending January 31, 1937. The import quota on pneumatic tires for motor cycles and cycles for the period April 1 to September 30, 1936, was at the same time increased from 13,000 to 17,000, and on inner tubes for these from 7,500 to 11,500.

### Irish Free State Export Bounty on Bacon and Hams

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises under date July 22, 1936, that the Department of Agriculture has announced that the export bounty payable on bacon and hams and other cured pigs' meat, exported to countries other than the United States, will be at the rate of 16s. per cwt. for the period August 1 to September 30, 1936. This compares with the former bounty rate of 17s. 6d. per cwt.

### New Zealand Tariff Changes Deferred

Provision exists in the New Zealand customs tariff for reduction of the British preferential duties on the undermentioned goods as from November 1, 1936. Information is received that an Order in Council was issued on July 16, 1936, providing that the existing rates shall continue in effect until October 31, 1937. The goods affected, with present and deferred British preferential rates, also the general tariff rates (not proposed to be changed) are:—

Nails or tacks, exceeding 1 inch in length, made from iron wire, whether plain, galvanized, or cement-coated, not elsewhere included in the tariff: present British preferential rate £2 per ton (2,240 pounds), to be free of duty from November 1, 1937; general tariff rate £4 per ton.

Nails, lead-headed, and galvanized cup-heading roofing nails: present British preferential rate 20 per cent ad valorem, to be free of duty from November 1, 1937; general tariff rate 40 per cent ad valorem.

White lead ground in oil: present British preferential rate 6s. per cwt. (112 pounds), to be free of duty from November 1, 1937; general tariff rate 9s. per cwt.

The British preferential rates apply to Canadian goods under these items.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 10

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending August 10, 1936, with the official bank rate. Quotations for the week ending Aug. 3, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 3	Nominal Quotations in Montreal Week ending Aug. 10	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1885	\$ .1882	3½
Belgium . . . . .	Belga	.1001	.1686	.1685	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0414	.0414	3
Denmark . . . . .	Krone	.2680	.2239	.2243	3½
Finland . . . . .	Markka	.0252	.0221	.0221	4
France . . . . .	Franc	.0392	.0659	.0658	3
Germany . . . . .	Reichsmark	.2382	.4023	.4022	4
Great Britain . . . . .	Pound	4.8666	5.0156	5.0250	2
Greece . . . . .	Drachma	.0130	.0094	.0094	4
Holland . . . . .	Guilder	.4020	.6792	.6792	3
*Hungary . . . . .	Pengo	.1749	.2955	.2950	4
Italy . . . . .	Lira	.0526	.0788	.0786	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0229	5
Norway . . . . .	Krone	.2680	.2520	.2524	3½
Poland . . . . .	Zloty	.1122	.1886	.1882	5
Portugal . . . . .	Escudo	.0442	.0456	.0457	4½
Romania . . . . .	Leu	.0060	.0074	.0074	4½
Spain . . . . .	Peseta	.1930	.1363	.1365	5
Sweden . . . . .	Krona	.2680	.2586	.2590	2½
Switzerland . . . . .	Franc	.1930	.3263	.3259	2½
United States . . . . .	Dollar	1.0000	1.0000	1.0000	1½
Mexico . . . . .	Peso	.4985	.2776	.2775	4-5
Cuba . . . . .	Peso	1.0000	.9990	.9990	—
Guadeloupe . . . . .	Franc	.0392	.0659	.0658	—
Jamaica . . . . .	Pound	4.8666	5.0256	5.0350	—
Martinique . . . . .	Franc	.0392	.0659	.0653	—
Other British West Indies	Dollar	1.0138	1.0450	1.0470	—
Argentina . . . . .	Peso (Paper)	.4245	.3344	.3349	—
	Unofficial		.2760	.2770	—
Brazil . . . . .	Milreis (Paper)	.1196	.0846	.0849	—
	Unofficial		.0582	.0581	—
British Guiana . . . . .	Dollar	1.0138	1.0450	1.0470	—
Chile . . . . .	Peso	.1217	.0518	.0518	4½
	Unofficial		.0418	.0418	—
Colombia . . . . .	Peso	.9733	.5690	.5690	4
Peru . . . . .	Sol	.2800	.2500	.2500	—
Venezuela . . . . .	Bolivar	.1930	.2400	.2400	—
Uruguay . . . . .	Peso	1.0342	.7979	.7975	—
South Africa . . . . .	Pound	4.8666	5.0093	5.0187	—
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1500	5.1500	—
China (Shanghai) . . . . .	Dollar	.....	.2998	.3010	—
Hongkong . . . . .	Dollar	.....	.3119	.3117	—
India . . . . .	Rupee	.3650	.3786	.3793	3
Japan . . . . .	Yen	.4985	.2932	.2939	3.29
Java . . . . .	Guilder	.4020	.6832	.6833	4
Siam . . . . .	Baht (Tical)	.4424	.4602	.4600	—
Straits Settlements . . . . .	Dollar	.5678	.5883	.5892	—
Australia . . . . .	Pound	4.8666	4.0125	4.0200	—
New Zealand . . . . .	Pound	4.8666	4.0450	4.0525	—

\* Federal Reserve certified rate for customs purposes .1977.

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Interest in exchange markets was recorded low and fluctuations were generally narrow. Gold currencies strengthened in early days on reports of some easing of the Spanish situation and moderate short covering movements. Subsequent to the announcement of the renewal of the \$200,000,000 loan to France from Great Britain, the French franc was again under pressure and dipped to the lowest level at New York since June 15, but later recovered slightly. Shipments of gold from Paris to the United States were resumed, marking the first such shipment since June 19. The pound sterling at Montreal ranged between \$5.016 and \$5.028 and the United States dollar remained unchanged at par throughout the week. The French franc hovered between 6.58 cents and 6.59 cents.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.  
Portage la Prairie, Man.

St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Salted Salmon.....	562	Panama City, Panama....	Purchase.
Salted Mackerel.....	563	Panama City, Panama....	Purchase.
Dried Codfish.....	564	Panama City, Panama....	Purchase.
<b>Miscellaneous—</b>			
Seed Leaf Tobacco.....	565	Rotterdam, Holland.....	Agency.
Silk and Artificial Silk Piece-goods.	566	Dublin, Irish Free State...	Purchase.
Manila Rope.....	567	Guayaquil, Ecuador.....	Agency.
Paper Bags.....	568	Guayaquil, Ecuador.....	Agency.
Kraft Wrapping Paper.....	569	Guayaquil, Ecuador.....	Agency.
Bond Papers.....	570	Guayaquil, Ecuador.....	Agency.
Clothes Pegs.....	571	Amsterdam, Holland.....	Agency.
Canadian Softwoods for Building Trades, and Hardwoods for Coachmaking and Undertaking Trades.	572	Limerick, Irish Free State..	Agents or Brokers.
Motor and Cycle Accessories....	573	Dublin, Irish Free State...	Agency.
Agricultural Tools.....	574	Havana, Cuba.....	Purchase.

### CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in March, 1935, are: D form No. 119 (Sale), for growth or produce; E form No 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

### PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

#### From Montreal

*To Liverpool.*—Montcalm, Aug. 14; Montclare, Aug. 19; Duchess of York, Aug. 23; Duchess of Atholl, Aug. 28; Duchess of Bedford, Sept. 4; Duchess of Richmond, Sept. 12—all Canadian Pacific; Andania, Aug. 28; Antonia, Sept. 11—both Cunard-White Star Line.

*To London.*—Beaverbrae, Aug. 21; Beaverville, Aug. 28; Beaverburn, Sept. 4; Beaverhill, Sept. 11; Beaverford, Sept. 18—all Canadian Pacific; Aurania, Aug. 21; Ausonia, Aug. 28; Alaunia, Sept. 4; Ascania, Sept. 11—all Cunard-White Star Line.

*To Manchester.*—Manchester Commerce, Aug. 20; Manchester Division, Aug. 27; Manchester Regiment, Sept. 3; Manchester Citizen, Sept. 10; Manchester Port, Sept. 17—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Kastalia, Aug. 22; Dakotian, Sept. 9—both Cunard-Donaldson and Dominion Lines.

*To Southampton.*—Duchess of Richmond, Aug. 23; Montcalm, Sept. 11—both Canadian Pacific.

*To Cardiff, Bristol and Swansea.*—Boston City, Aug. 31; New York City, Sept. 18—both Bristol City Line.

*To Glasgow.*—Athenia, Aug. 21; Sulairia, Aug. 28; Letitia, Sept. 4; Airthria, Sept. 11—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnglen (calls at Dundee), Aug. 20; Cairnross, Sept. 3; Cairnesk (calls at Dundee), Sept. 17—all Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kyno, Aug. 25; Kelso, Sept. 18—both Ellerman's Wilson Line.

*To Dublin and Belfast.*—Fanad Head (cargo accepted for Londonderry and Cork), Head Line, Aug. 22.

*To Antwerp and Havre.*—Beaverbrae, Aug. 21; Beaverville, Aug. 28; Beaverburn, Sept. 4; Beaverford, Sept. 18—all Canadian Pacific (do not call at Havre); Grey County, Aug. 25; Brant County, Sept. 3; Columbia, Sept. 19—all County Line.

*To Rotterdam.*—Alaska, Aug. 29; Hada County (calls at Dunkirk), Sept. 8—both County Line.

*To Hamburg.*—Hagen (calls at Bremen), Hamburg-America Line, Sept. 4; Beaverhill, Canadian Pacific, Sept. 11.

*To Copenhagen, Gothenburg and Baltic Ports.*—Consul Corfitzon, Swedish-America-Mexico Line, Aug. 22.

*To Norwegian Ports.*—A steamer, Norwegian-America Line, September.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Navemar, Gardiaz Line, Aug. 17.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Lena, Aug. 25; Capo Olmo, Sept. 22—both Capo Line.

*To Marseilles, Genoa, Barcelona and Spanish Ports.*—A steamer, Canada-Mediterranean Line, Aug. 25.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—A steamer (does not call at St. Pierre), Aug. 22; Delia (calls at Trinity and Conception Bay ports), Aug. 27—both Shaw SS. Co. Ltd.; Belle Isle, Newfoundland Canada SS. Co., Aug. 28.

*To Cornerbrook, Nfld.*—New Northland, Aug. 17; North Voyageur, Aug. 25—both Clarke SS. Co.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Chomedy, Aug. 20; Cornwallis, Sept. 3—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Lady Somers, Aug. 19; Cathcart (does not call at Hamilton or Nassau), Aug. 28—both Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion SS. Corp., Aug. 30.

*To Brisbane, Sydney, Melbourne and Adelaide.*—City of Wellington, Montreal Australia New Zealand Line, Aug. 29.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Canadian Highlander, Montreal Australia New Zealand Line, Aug. 25.

*To Manila, Hongkong, Shanghai, Yokohama, and Dairen.*—A steamer, Canada Far East Line, September.

*To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, and Beira.*—Mattawin, Elder Dempster Lines Ltd., Aug. 25.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Glasgow, Aug. 28; City of Salisbury, Sept. 12—both Ellerman & Bucknall SS. Co.

*To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—Kota Pinang, Java-New York Line, Sept. 14.

*To Columbia, Ecuador, Peru and Chile.*—A steamer, Canadian National, monthly.

### From Quebec

*To Southampton.*—Empress of Britain, Aug. 29; Empress of Australia, Sept. 3—both Canadian Pacific.

### From Saint John

*To Manchester.*—Manchester Brigade, Manchester Line, Aug. 22.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, Aug. 19; Lady Drake, Sept. 2—both Canadian National.

*To Kingston and Jamaican Outports.*—Crawford Ellis, Aug. 21; Harboe Jensen, Aug. 28—both United Fruit Line.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—City of Johannesburg, American and Indian Line, Aug. 28.

### From Halifax

*To Liverpool.*—Nova Scotia, Aug. 18; Newfoundland, Sept. 5—both Furness Line.

*To London and Hamburg.*—A steamer (calls at Hull, Leith and Dundee), American Hampton Roads, September.

*To Copenhagen and Baltic Ports.*—Batory (calls at Gdynia), Gdynia-America Line, Sept. 11.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Amherst, Aug. 17; Fort Townsend, Aug. 24—both Furness-Red Cross Line; Kongsbaug, Newfoundland-Canada SS. Ltd., Aug. 24; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Aug. 26; Newfoundland (does not call at St. Pierre), Furness Line, Aug. 18.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, Aug. 27; Lady Drake, Sept. 10—both Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Flint II, Aug. 17; a steamer, Sept. 4—both Ocean Dominion Line.

*To Santiago (Cuba) and Kingston (Jamaica).*—Ciss, Pickford & Black Ltd., Aug. 26.

*To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Chomedy, Aug. 24; Cornwallis, Sept. 7—both Canadian National.

*To Kingston (Jamaica) and Belize (British Honduras).—Cavalier, Aug. 17; Cathcart, Aug. 31—both Canadian National.*

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Cingalese Prince, Aug. 22; Silversandal, Aug. 29; Silverlarch, Sept. 5; Japanese Prince, Sept. 12; Chinese Prince, Sept. 26—all Silver-Prince Line.*

### From Vancouver

*To Yokohama, Kobe and Osaka.—Hiye Maru, Aug. 29; Heian Maru, Sept. 12; Hikawa Maru, Sept. 29—all Nippon Yusen Kaisha.*

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Canada (calls Honolulu), Aug. 22; Empress of Russia (calls Nagasaki), Sept. 5; Empress of Japan (calls Honolulu), Sept. 19—all Canadian Pacific; Talthybius, Aug. 30; Tyndareus, Sept. 27—both Blue Funnel Line (call at Miike but not at Manila).*

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Kota Agoeng, Aug. 31; Bintang, Sept. 30—both Silver-Java Pacific Line.*

*To Honolulu, Suva, Auckland and Sydney.—Aorangi, Sept. 9; Niagara, Oct. 7—both Canadian-Australasian Line.*

*To Auckland, Wellington, Melbourne and Sydney.—Golden Cloud, Oceanic and Oriental Navigation Co., Sept. 15 (calls at Lyttelton and Dunedin if sufficient cargo offered).*

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Hauraki, Canadian-Australasian Line, Sept. 15.*

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., August.*

*To Sydney, Melbourne and Adelaide.—Anglo Indian, August; Harmanteh, August-September; a steamer, September—all Australian Freight Line.*

*To London, Liverpool and Rotterdam.—Damsterdyk (calls at Glasgow), Aug. 22; Lochgoil, Sept. 5; Delftdyk (calls at Glasgow), Sept. 19—all Holland-America Line.*

*To London, Liverpool and Cardiff.—A steamer, Reardon Smith Line, August.*

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—A steamer, East Asiatic Co., August.*

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., August.*

*To Scandinavian Ports.—Axel Johnson, Aug. 27; Balboa, Sept. 12; Margaret Johnson, Sept. 22—all Johnson Line.*

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—A steamer, Empire Shipping Co., August.*

*To Port of Spain (Trinidad) and Bridgetown (Barbados).—Brynje, Canadian Transport Co., August 17.*

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Manoeran, Sept. 5; Salawati, Sept. 8; Silverwillow, Oct. 5—all Silver-Java Pacific Line.*

*To Cape Town, Algoa Bay, East London, Durban and Lourenco Marques.—A steamer, South African Dispatch Line, August.*

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Hardanger, Aug. 21; Brandanger, Sept. 22—both Empire Shipping Co.*

*To Puerto Colombia, Kingston and Tampico.—A steamer, Gulf Pacific Mail Line Ltd., August.*

### From New Westminster

*To London and Liverpool.—Pacific President, Aug. 20; Pacific Enterprise, Aug. 27—both Furness Line Ltd. (call at Glasgow and Manchester); Steel Engineer (calls at Avonmouth), B. W. Greer & Son Ltd., Aug. 20; Damsterdyk (calls at Glasgow, Southampton and Rotterdam), Royal Mail Lines Ltd., Aug. 23; Abraham Lincoln (calls at Oslo), Aug. 25; Daldorch (does not call at Liverpool), Aug. 26—both Anglo-Canadian Shipping Co.; Martin Bakke (calls at Glasgow, Belfast and Manchester but not at London), Canada Shipping Co., Aug. 28.*

*To United Kingdom Ports.—Kinross, Anglo-Canadian Shipping Co., Aug. 20.*

*To Havre, Antwerp, Rotterdam, Dunkirk and Bordeaux.—San Diego, Empire Shipping Co., Aug. 27.*

*To Yokohama, Kobe and Osaka.—Hiye Maru, B. W. Greer & Son Ltd., Aug. 18.*

*To South African Ports.—King Lud, Canadian Transport Co., Aug. 20.*

*To Indian Ports.—Kota Agoeng, Dingwall Cotts & Co., Aug. 28.*

**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430. Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*  
*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, Northern Sumatra, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

*Tientsin:* C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

### Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

### Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

### Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

### India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

### Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

*Tokyo:* J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

*Kobe:* R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

### Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

### Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

### New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

### Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

*Johannesburg:* J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London:* W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

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# COMMERCIAL INTELLIGENCE JOURNAL

Vol. LV

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No. 1699



Unloading Canadian Timber at Liverpool.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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Vol. LV

Ottawa, August 22, 1936

No. 1699

## STATE ASSISTANCE TO SCOTTISH AGRICULTURE

J. M. BOYER, ASSISTANT TRADE COMMISSIONER

Glasgow, July 17, 1936.—Although certain parts of Scotland are highly industrialized, much of the country is and will probably remain devoted to agricultural and pastoral pursuits. Large areas are well adapted by nature for cultivation or for pasturage, and the industrial population requires a considerable portion of its food supply close at hand in its freshest and most perfect state. Therefore the Department of Agriculture for Scotland carefully fosters farm production.

The assistance provided by the state takes many forms which may, for convenience, be grouped into four categories. First, there are the services provided for the general improvement of farm methods, produce and live stock. In the second category are measures designed to increase the number of people living on farms or to enable farmers to remain in occupation of land that, without such measures, might be unprofitable. Another form of assistance, in a class by itself, is the assumption by the state of a large share of the farm tax burden. Last, and perhaps most important, are the provisions with respect to marketing designed to ensure a fair return to the producer on a few most important products.

### I. IMPROVEMENT OF FARM METHODS

In the first group, the Department of Agriculture for Scotland renders assistance through education, research and experiment, grants to exhibitions, and by the provision of high-grade breeding stock for improvement of live stock and poultry.

#### EDUCATION

There are three agricultural colleges in Scotland. The total attendance, taking the past three years as a guide, is approximately 720 students each year, some taking the degree course but more taking special short courses. The maintenance expenses of the three colleges over the same period average about £80,000 per annum, of which the state provides two-thirds.

#### RESEARCH

Agricultural experiment and research are carried on chiefly by the Research Institutes, of which there are six operating in Scotland. Four of these are devoted to animal studies, one to plants and one to problems of soil. In some cases the research institutes enlist the aid of the agricultural colleges, the experimental farms, or the Scottish universities. Typical studies carried out during the past year covered such subjects as internal parasites of poultry, results of cross-

breeding beef and dairy strains in cattle, animal nutrition, the production of high-yielding, stiff-strawed varieties of oats, besides many others. In all this work the major share of the cost is borne by the state.

#### EXHIBITIONS

The state encourages exhibitions of Scottish stock and farm produce in two ways. It assists the provision of prize funds for horses, cattle, etc., shown in classes restricted to small farmers at local agricultural shows, and it also arranges for the display of farm produce at large exhibitions in Scotland and at the British Industries Fair.

At the latter, for example, in the spring of 1935, the Department of Agriculture, in conjunction with the Fishery Board for Scotland, staged a display of Scottish agricultural and fishery produce comprising Scottish National Mark products, together with seed potatoes, tinned cream, condensed milk, milk powder, tinned and bottled meats, haggis, Ayrshire rolled bacon, oatcakes, oat products, honey, tinned fish, and herring packed in glass jars and cardboard cartons.

Other forms of publicity are also organized on behalf of the Scottish National Mark schemes put into operation by regulations made by the department under the Agricultural Produce (Grading and Marking) Acts, 1928 and 1931. The schemes presently in force apply to eggs, tomatoes, beef, table potatoes, canned fruit, creamery butter, malt extract, and flour. Participation in these schemes is entirely voluntary, but when the National Mark is used in the marketing of these products, it imports a warranty by the producers or packers that the products are of Scottish origin and have been graded and packed in accordance with the standards prescribed in the regulations.

#### IMPROVEMENT OF STOCK

In connection with improvement of live stock and poultry, the Department of Agriculture for Scotland provides considerable encouragement and assistance.

Privately-owned stallions travelled for service must be licensed by the department, and a licence may be refused for animals defective in conformation or health.

A stud of Highland pony stallions is maintained by the department for the service of mares belonging to crofters and others in certain Highland districts where prohibitive expense would otherwise make it impossible to continue the breeding of this, the ideal animal for work on Highland crofts.

The department lend bulls to crofters' common grazings committees or other duly constituted farmers' committees, and offer premiums to similar organizations that purchase, or arrange with neighbouring farmers for the use of, approved bulls.

Financial assistance is also offered for the purpose of improving the breeding of sheep, pigs, and goats.

The department pay a bonus on the distribution of hen eggs for hatching purposes and of day-old chicks. This bonus, payable to selected station-holders who maintain blood-tested breeding stock of which all the females have been trap-nested for the pullet year, amounts to 2s. 6d. per dozen eggs and 4s. per dozen day-old chicks sold. The department also encourages the breeding and keeping of poultry of a high egg-laying capacity by conducting official egg-laying tests in which weight of eggs as well as quantity is a determining factor.

#### II. FARM LOANS AND CREDITS AND ASSISTANCE IN SUB-NORMAL AREAS

Education, research and experiment, agricultural shows and live stock improvement, all tend to aid the farmer who occupies a normally good farm, with adequate transport facilities and sufficient capital. Not all farmers, however, are in such a favoured position. Furthermore, there are potentially

productive tracts of land that might, without state aid, become or remain uncultivated. Therefore the Department of Agriculture for Scotland has been given authority, under certain statutes, to assist under these sub-normal conditions.

#### FARM LOANS

For the farmer who is hampered by lack of capital, the Agricultural Credits (Scotland) Act, 1929, makes it possible to borrow at low interest and make repayments in half-yearly instalments of capital and interest over a considerable period. The Act provides for the formation of the Scottish Agricultural Securities Corporation and for the partial financing of this company by the Government by means of a loan of £125,000, free of interest for sixty years. The Act also provides that the Government shall contribute to the administrative expenses of the loan company the sum of £1,750 annually for ten years. The company's dividends must not exceed 5 per cent per annum.

#### LAND SETTLEMENT

For the farm labourer or city dweller with adequate experience and capital who wishes to cultivate a small farm, the Small Landholders (Scotland) Act, 1911, and the Land Settlement (Scotland) Acts, 1919 and 1934, facilitate the provision of land for that purpose.

The Act of 1911 merely provided that, when a demand existed in any district for small holdings and land was available to meet that demand, negotiations should be carried on with the landlords with a view to placing in occupation new holders for such land. The Acts of 1919 and 1934 go further than that and permit the Department of Agriculture for Scotland to acquire compulsorily any land required to meet a demand for small holdings.

Inasmuch as the rentals fixed for such small holdings may in certain cases fall short of paying interest and carrying charges on the sums invested by the department in acquiring such land, the small landholders may be said to be subsidized. A further minor degree of subsidization is provided by the Act of 1919, which permits the department to spend up to £4,000 per annum to encourage and develop the provision of allotments throughout Scotland.

It should be mentioned that, although the department has powers of compulsory purchase, safeguards are provided to prevent a landlord losing property that is essential to the most efficient working of his farms, or the loss of which would entail putting farm labourers out of employment.

#### LAND DRAINAGE

In the case of agricultural property which may be difficult to cultivate on account of lack of drainage or which may be liable to injury from flood, the Land Drainage (Scotland) Acts, 1930 and 1935, provide that the department may execute such drainage works as they deem necessary and recover from the owner or owners such part of the cost as the improvement is estimated by the department to be worth to the persons affected. The amount to be recovered from owners is in practice collected over a period of years, and does not usually equal the actual cost of the work. For example, the River Annan drainage scheme, completed in December, 1935, cost the department £6,374, of which £4,071 is recoverable as representing the estimated value of the benefit that may be expected to accrue to the lands affected. One-half of the recoverable cost has already been paid, while the remainder will be recovered by means of annual rates over a period not exceeding thirty years.

#### PUBLIC WORKS AND TRANSPORT

In addition to the foregoing provisions for land settlement, land improvement and agricultural credits, which fall naturally enough under the aegis of the

Department of Agriculture, there is another service provided in certain districts of Scotland by the department which seems, superficially, beyond the usual scope of farm assistance.

This service comprises public works and transport services, and is a function of the Department of Agriculture because the works and services are for maintenance of communications in the Highlands and especially in and between the various islands—for example, the Orkneys and the Hebrides. As a rule the department contributes part of the cost and the balance is borne by the Ministry of Transport and the local inhabitants, future maintenance being guaranteed by the County Council concerned.

For the year 1935 a sum of £20,000 was voted by Parliament for the provision of public works and transport services such as roads and marine works in what are known as the Congested Districts of Northern Scotland. This money is used to help maintain communications which are essential to the farm life of the district but which are used by so few people that, without special aid, they would have to be abandoned.

### III. TAXATION RELIEF

A third method by which the state assists Scottish agriculture is by way of relief from taxes or rates. The Agricultural Rates (Scotland) Act of 1896 provided that taxes levied by local authorities, such as county councils, on agricultural property should be based on 50 per cent of the actual valuation and that the Government should make up to local authorities the resultant loss of revenue.

This taxation relief has been twice increased in recent years. In 1923 the rating basis of agricultural property was reduced to 25 per cent of actual value and in 1928 to 12½ per cent. With each change the Government's liability to compensate the county councils, etc., has been proportionately increased. At present, as a result of these measures, about £800,000 per annum is being remitted in the taxes of Scottish farm landlords and about £150,000 in the case of farm tenants.

### IV. DEVELOPMENT AND MARKETING SCHEMES AND IMPORT REGULATION

Finally, and perhaps the most important of the state aids to agriculture in Scotland, are the comparatively recent enactments designed to encourage more efficient production and marketing of agricultural products and to maintain and develop production in certain branches of the industry. These enactments apply to Great Britain, and in certain cases to Northern Ireland.

#### IMPORT DUTIES

The Import Duties Act, 1932, placed a general 10 per cent ad valorem duty on imports from foreign countries, and also established the Import Duties Advisory Committee with powers to consider representations and to recommend the imposition of additional duties. There is now an extensive list of agricultural and horticultural products to which special rates of import duty have been applied in the interests of the home producers.

#### AGRICULTURAL MARKETING ORGANIZATION

The Agricultural Marketing Acts, 1931 to 1933, enable producers of agricultural products to promote schemes for regulated and organized marketing. Persons substantially representative of the producers of a certain commodity within an area, which may be Great Britain or any part thereof, may draw up a tentative scheme for that area and submit it to the minister for approval.

Notice of the submission of the proposed scheme is published and a period allowed for the lodging of objections. The minister may modify the draft scheme with the assent of a majority of the promoters' nominees and, if satisfied that the scheme will conduce to more efficient production and marketing, he then lays it before Parliament for approval.

Where an agricultural marketing scheme has been so approved, the first duty of the administrative board is the preparation of a register of the producers affected and the taking of a poll of the producers on the question whether the scheme should remain in force. If the poll shows that not less than two-thirds of those voting, as regards both number and producing capacity, are in favour, the scheme is brought into full operation and, subject to any provision made for exemptions, becomes binding in law upon all producers of the product within the area.

There is also provision for the approval of development schemes for promoting efficient production by closer co-ordination of the operations under marketing schemes dealing respectively with a primary product and with related secondary products.

In Scotland at present there are in operation under the Acts three Milk Marketing Schemes applicable to different districts which, in total area, cover practically the whole country, and also the following schemes applicable to Great Britain—Pigs Marketing Scheme, Bacon Marketing Scheme, Bacon Development Scheme, and Potato Marketing Scheme. A Scottish Raspberry Marketing Scheme has been approved by Parliament, but the poll of the producers has not yet been taken. Proposed schemes to be applied to Great Britain, for the regulation of the marketing of sugar beet and of manufactured milk products, have been submitted for approval.

The Government is not put to any great degree of expense by these marketing schemes, the only expense being the cost of administration of the Acts and the making of short-term loans to the boards for initial expenses. These loans are repayable within periods of two years and bear interest at normal rates as from the commencement of the full operation of the schemes.

There is provision in the Acts for the making of long-term loans, but the boards have not found it necessary to seek such assistance from the Exchequer. The boards are composed of representatives appointed or elected by the producers and the cost of operating the schemes is met by levies payable by the producers.

#### REGULATION OF IMPORTS

##### *The Agricultural Marketing Act, 1933*

The above Act contained the important provision that action could be taken, in certain circumstances, for the quantitative regulation of imports in order to bring about efficient reorganization of branches of the agricultural industry by means of marketing schemes. Such action has been taken, in respect of certain products, by regulation of imports by licence. Restriction of imports of other products has been arranged by voluntary agreements with exporting countries.

##### *The Milk Acts, 1934 and 1936*

These Acts, designed to give temporary assistance to the dairy-farming industry, pending the formulation of the Government's long-term policy for that purpose, provide for payment from the Exchequer to the Milk Marketing Boards to give a minimum return for milk manufactured into milk products, and to meet one-half of the boards' expenses in carrying out approved arrangements for increasing the demand for milk.

The payments in respect of milk sold or used for manufacture have been made as from April, 1934, and will be continued until September, 1937, at rates per gallon equal to the amount, if any, by which the "standard price" (5d. per gallon from April to September, and 6d. per gallon during the other months of the year) exceeds (a) the actual selling price or value of the milk according to the product manufactured or (b) the certified "cheese-milk price," whichever is the greater. The "cheese-milk price" is certified monthly at the excess over  $1\frac{3}{4}$ d. of the average of the wholesale market prices per pound of New Zealand and Canadian cheese.

For the period ended December 31, 1935, advances amounting to a total of £261,873 have been made to the Milk Marketing Boards in Scotland in respect of 50,170,320 gallons of milk sold or used for manufacture. Repayment of advances received for milk for manufacture will fall to be made by the boards during the period from April, 1937, to September, 1939, in any month when the certified "cheese-milk price" exceeds the "standard price" increased by one penny.

Under the approved arrangements of the boards for increasing the demand for milk, supplies are being provided for school children at about half price, and a certain amount of press and poster and other propaganda is being undertaken. For the period ending December 31, 1935, grants amounting to £48,800 were paid in respect of the supply of 2,721,029 gallons of milk, while in respect of publicity and propaganda grants amounting to £8,342 were paid. The grants in aid of approved schemes on these lines will be continued until September, 1937. These grants, together with the payments in respect of milk for manufacture, are used by the board to augment the "pooled" proceeds from the sales of milk by the producers which are distributed monthly among the producers at average prices per gallon for their supplies.

The Milk Act, 1934, also provides a fund with the object of securing, as for as practicable, that milk supplied for human consumption is pure and free from the infection of any disease. The money is being used to induce owners of dairy herds to eradicate tuberculosis from their herds.

#### BEET SUGAR INDUSTRY

The British Sugar (Subsidy) Act provides for the payment of a subsidy to the manufacturers of sugar and molasses made from beet grown in Great Britain. It also provides for charging excise on this sugar and molasses and the subsidy is paid from the excise tax so collected.

To be eligible for this sugar subsidy, manufacturers must use plant and machinery that is 75 per cent of British manufacture (except for plant installed before the Act came into effect), they must pay for beet at prices not less than a minimum prescribed from time to time by legislation, and they must pay wages not less than if they were working under contract to the department.

The amount of subsidy paid in Scotland in the past three years has been as follows: 1935, £35,924; 1934, £70,939; 1933, £20,568.

#### WHEAT SUBSIDY

The Wheat Act of 1932 provided a means of assistance to wheat growers in the United Kingdom in the form of a guaranteed price, financed by the imposition of a charge on consumers of flour, the amount of such charge, which is collected from the millers, varying inversely with the price of wheat. The standard price by reference to which the grower's receipts are determined is 10s. per cwt., and the scheme provides for the payment to the grower, subject to certain qualifications, of the difference between this standard and the ascertained average market price. The qualifications include the deduction of administrative expenses, and a provision whereby, when home production of wheat reaches above a certain level, the subsidy payment is scaled down pro rata.

Payments made to growers in Scotland under the Wheat Act amounted to £382,000 for the cereal year ending July, 1935, as compared with £410,559 for the preceding year. The average price of Scottish wheat was 4s. 10d. per cwt. in both years, but production for 1935 was 8,000 tons greater than in 1934.

#### CATTLE SUBSIDY

The Cattle Industry (Emergency Provisions) Act, 1934, establishes a cattle fund and provides for payment out of that fund to producers in respect of the sale by them of certain live cattle or beef carcasses. More precisely, it provides for payment in respect of the sale of (a) steers, heifers or cow-heifers certified in accordance with a standard prescribed by regulations, or (b) carcasses of such animals. The important regulations are: that the animals must have been in the United Kingdom for at least three months prior to sale or slaughter, must have been castrated at nine months of age or younger, and must not be in milk or more than five months in calf. Payments on approved animals are, according to the Act, not to exceed 5s. per cwt. live weight or 9s. 4d. per cwt. on carcasses. In practice actual payments have been at the prescribed maximum rate.

The total amount of cattle subsidy paid to producers in Scotland from the time the scheme came into force on September 1, 1934, until December 31, 1935, is £1,049,760.

The Act contemplates that this money may be recovered by the Government out of any levy or duty that may be imposed on imports of foreign meats, but hitherto the necessary finance has been provided by the Exchequer.

### OUTLOOK FOR CANADIAN HAY IN ENGLAND

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

London, July 28, 1936.—The continuous wet and inclement weather during the spring and summer to date has made it difficult to obtain accurate information concerning the English hay crop prospects. Earlier in the season the prospects for a good crop were excellent, and it was then estimated that there would be little opportunity for the sale of Canadian hay this year. Shortly before the first cropping, however, the weather turned wet and has continued so since that time.

The wet weather coming just as the crop was being cut and continuing with few periods of sun has meant a complete reversal of the earlier favourable outlook. It is now estimated that from 70 to 80 per cent of the clover and heavy clover mixtures has been spoiled and will be practically useless. If the weather improves within the next week or so and a warm sunny spell is experienced, it may be possible to save some of the grass still standing. In this event the second cutting should give a serviceable crop, but in any event the yield this year will be poor in most parts of the country. At the moment the crop is at least a month behind, and even if two weeks of continuous sunshine were experienced now, the quality of the hay crop would be well under the average. In view of the situation, it will not be until late in August that a final report can be made.

#### ESTIMATED YIELD

The official hay crop report issued by the Ministry of Agriculture, London, early in July commented on the unfavourable weather up to the end of June. At that time it was officially estimated that the yield of seeds hay would be 24.5 cwts. per acre and that of meadow hay would be 18.7 cwts. per acre, compared with 26.89 cwts. and 19.65 cwts. respectively for the ten years 1926-35. Since the date of the issue of this report the rains have continued so that the yield will now probably be much below these figures. Indeed, it is thought that not more than 40 per cent of the available crop can now be considered good.

## PRICES

It is reported that fair quantities of old hay are still on hand, but these are being held closely in case of scarcity and high prices. In some quarters it is thought that at least two or three times as much old-stock hay is in storage here as a year ago, and that this will come on the market as soon as prices rise sufficiently. Recent offers for hay have been as low as 52s. 6d., while plenty seems to be available at from 56s. to 60s.

It is indicated here that the Norwegian hay crop this year is good and that shipments will be made to the United Kingdom. At the moment, however, prices appear to be much too high for business to take place.

The outlook therefore for Canadian hay in this market is favourable. Unless the weather improves in the very near future there is every indication that there will be a good demand for f.a.q. Canadian hay during the coming season. Canadian shippers, however, would be ill-advised to hold for too high prices; this would force buyers to resort to old-crop hay still on hand and would encourage importations from Norway and other sources.

## IRISH FREE STATE TRADE RETURNS

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, July 30, 1936.—Official trade figures for the first six months of this year of the Irish Free State, just issued, show that in the total trade from January 1, of £29,045,830, the imports of £19,031,579 have increased by over £500,000 over the corresponding six months of the previous year, and that exports of £10,013,251 show an increase of over double that amount. The adverse trade balance continues to fall, the June total of £1,301,476 being the lowest since December, 1935.

Some 60 per cent of the imports come from Great Britain and Northern Ireland. Other large suppliers are: United States, £1,517,032; Australia, £844,550; Germany, £679,998; Canada, £670,447; India, £574,745; Belgium, £465,849; Argentina, £415,283; France, £265,449; Sweden, £229,096; Holland, £228,289; and Japan, £198,896.

Imports of machinery and electrical goods and apparatus continue to be heavy, indicating capital expenditure on the expansion of home industries. The total for the group in respect of the first half of 1936 was £1,381,249 compared with £1,231,869 for the first half of 1935. Imports of agricultural machinery and parts increased by over £25,000, boilers and boiler-house plant by £40,000, grain milling machinery by £7,000, engines by £8,000, tobacco and cigarette-making machinery by £11,000, and electrical goods and apparatus not specified by £21,000. Housing progress is indicated by the increase of £57,000 for the half year in imports of deal planks and boards. For the whole wood and timber group, imports rose during the half year from £476,522 to £543,028. Imports of wearing apparel fell from £1,010,377 during the first half of 1935 to £826,902 in the first half of 1936, boots and shoes alone showing a fall of £73,000 to £206,725. The effect of the coal-cattle pact is shown in the figures for live stock exports, which increased by £714,000 to £3,789,510. Store cattle exports were up by £500,000.

Of the exports, Great Britain took 80 per cent, Northern Ireland 10 per cent, and the remaining 10 per cent is divided among some fifty other countries. Germany is credited with £307,162, Belgium with £109,195, the United States with £99,329, Netherlands with £50,885, and Canada with £18,258.

During the first six months the cattle trade exports have increased by £506,876—£2,745,342 as compared with £2,238,466. The actual export total for June was £384,371 as against £309,688 in the corresponding month of last year.

Exports of foodstuffs of animal origin also show an increase, both for the month and for the half year. In June these amounted to £663,061, and for the six months to £2,827,840. Last year the figures were £652,053 and £2,679,921 respectively. Increases are also recorded under the headings of cereals and foodstuffs for animals (from £43,201 in the first six months of 1935 to £62,071 for the corresponding period of this year), and miscellaneous articles of food (from £161,507 to £264,315). Drink exports in the six months fell from £1,876,876 to £1,849,490.

Increases in exports are also shown under the headings of non-metalliferous mine and quarry products; metalliferous ores and manufactures, machinery and similar goods; wood and timber; textiles (from £385,255 to £480,512); wearing apparel; hides and leather (from £164,852 to £228,165); paper and cardboard; oils and similar products.

## AUSTRALIAN WHEAT AND FLOUR

M. T. STEWART, ACTING TRADE COMMISSIONER

Melbourne, July 15, 1936.—Shipments of wheat and flour from Australia from December 1 to the week ending July 7 totalled 69,101,919 bushels as compared with 69,113,621 bushels for the corresponding period of the previous export season. The market for Australian wheat overseas had been very quiet until late in June, but under the influence of unfavourable reports of the weather conditions in North America, the market appreciated very rapidly, and at present it is higher than it has been at any time since the beginning of the depression. The sharp rise in prices has influenced the farmers to sell the small balance of stocks on hand, and the exportable surplus is now smaller than it has been for many years. The uncommitted surplus at present is probably not more than 200,000 tons, allowing for a minimum carry-over and a small balance to be exported as flour.

### PRICE, ACREAGE, AND YIELD

The price to the growers at country sidings is about 3s. 6d. per bushel, Australian currency, equivalent to 70 cents Canadian, delivered at country sidings, the f.o.b. steamer price being approximately 4s. 1½d. per bushel, equivalent to 83 cents Canadian. The higher prices have proved attractive to growers, and farmers are making a last-minute effort to increase their acreage for the coming year, although the sowing season is now practically completed throughout Australia.

The greatest increase is expected in New South Wales, where it may amount to nearly 15 per cent above the last season's acreage, whereas probably 5 per cent increase will cover the remainder of Australia. In an estimate published by the Commonwealth Statistician at Canberra on June 3, the area under wheat for grain for the season 1935-36 was estimated at 11,884,000 acres with a probable yield of 143,000,000 bushels.

The new crop has been sown under reasonably favourable conditions. Good rains have fallen in all states and the outlook is very satisfactory, although the critical period when good spring rains are required—that is, during the months of September and October—is yet to come.

The grain trade is perturbed over the political dispute which has arisen between Australia and Japan, following Australia's action in restricting certain Japanese imports, and Japan has refrained from making any purchases of Australian wheat since the dispute arose. The flour millers also are feeling the effect of the Japanese action, as Dairen has proved a valuable outlet for Australian flour during recent years: no business is being done to that port and Japanese shipping companies are not prepared to quote freight rates, although it is to be hoped that an amicable settlement will shortly be reached.

## FLOUR

The export flour market, in the absence of export trade to Dairen, continues dull and millers are only moderately active. A shipment of about 2,000 tons was booked for Egypt before the rise in flour prices took place, but there are no interesting features in the market and the trade is awaiting developments re the Japanese situation.

Export quotations are now fixed at £8 12s. 6d. per ton of 2,000 pounds packed in 49-pound calico bags, equivalent to \$34.53 Canadian, and £8 7s. 6d. in 150-pound sacks, equivalent to \$33.53 Canadian. The local price for flour has been increased to £10 2s. 6d. per ton of 2,000 pounds delivered Melbourne.

## CHARTERING

Chartering has been very active within the past fortnight due to the fact that large sales of Australian wheat have been made, and Australian shippers have entered the charter market for about fifteen steamers since the beginning of July. No change, however, has been made in the freight rates; charter rates for Victoria and South Australia being 28s. per ton for wheat in bags and 25s. 6d. for bulk shipments, and New South Wales and Western Australia 27s. in bags and 24s. 6d. in bulk. The freight rates on flour to the United Kingdom for July-August shipment are fixed at 28s. 6d. per ton and September-October at 27s. 6d. per ton, all freights on the basis of 2,240 pounds per ton payable in English currency.

## EXPORTS OF WHEAT AND FLOUR FROM AUSTRALIA

The following is a comparative schedule showing the exports of wheat and flour from Australia by states for the past three fiscal years ending June 30:—

	1933-34	1934-35	1935-36
Wheat	Bushels	Bushels	Bushels
Victoria . . . . .	7,353,030	8,141,221	11,388,678
New South Wales . . . . .	3,095,921	7,322,148	13,616,833
South Australia . . . . .	10,749,297	18,528,018	17,517,776
Western Australia . . . . .	18,011,111	15,634,042	11,171,304
Total . . . . .	39,209,359	49,625,429	53,694,591
Flour	Tons	Tons	Tons
Victoria . . . . .	138,980	151,543	145,537
New South Wales . . . . .	122,278	152,836	101,635
South Australia . . . . .	43,916	46,763	32,904
Western Australia . . . . .	41,648	54,862	40,910
Total . . . . .	346,822	406,004	320,986

## COMMERCIAL NOTES FROM NEW SOUTH WALES

B. MILLIN, COMMERCIAL AGENT

## Wheat Harvest Prospects in New South Wales

Sydney, July 16, 1936.—In the season 1935-36 the total acreage sown to wheat in New South Wales was 4,039,800 acres. The area seeded this season (1936-37) will be about 4,200,000 acres, representing an increase of approximately 5 per cent. Early seedings almost generally were adversely affected by the protracted dry spell.

In many districts the dry conditions prevailing during the main sowing period were responsible for farmers delaying seeding operations in the hope of timely rains being received. This has resulted in a greater percentage of late-sown

wheat than is usual in normal seasons. Substantial rains have, however, fallen over the wheat areas in recent weeks and crops everywhere are in a most satisfactory state.

### **Annual Sheep Show at Sydney**

The value of wool-growing as the premier industry of Australia makes the great annual sheep show an institution of national importance and the splendid display recently held at Sydney (the forty-first year in succession) could not be equalled, as far as standard is concerned, in any other part of the world. This year the quality of the exhibits was higher than ever and gave an unmistakable evidence of the enthusiasm and efficiency of sheep-breeders in improving their flocks.

The selection of the grand champion merino, which means so much to the breeder, created great interest. The selection is one that makes an exhaustive test of length of staple, width of body, length of leg, neck, condition of teeth, and all the finer points of judging a super-quality sheep.

At the termination of the show the usual sales were held. The highest price paid for a merino ram was £788. The average price paid was £28 6s. 9d., the highest for seven years. The total amount realized was £56,651.

### **Export of Sheep from Australia**

The export of merino sheep from Australia is prohibited, except with the special permission of the Minister of Commerce. This permission is granted only after the fullest inquiry and where the minister is satisfied that the sheep will not be re-exported to a foreign country. New Zealand is the principal country to which export is permitted, although some have been sent to the New Hebrides and India. It has taken Australian breeders many years to reach the present high standard for merino sheep, hence the prohibition of export. Corriedale sheep are, however, extensively exported, and recently 2,200 sheep were shipped on behalf of Japanese buyers for use in Manchuria.

### **Australian Wool Sales, Season 1935-36**

Returns issued by the National Council of Wool-selling Brokers of Australia show that the sales of wool in the principal selling centres of the Commonwealth during the year ended June 30 last totalled 2,791,931 bales, which realized £49,100,537 in Australian currency.

Compared with the preceding twelve months, the quantity sold shows a decrease of 200,236 bales, and the amount realized an increase of £11,173,128. The greasy and scoured wool sold averaged £17 11s. 9d. per bale, or 14·22 pence per pound, the average for the preceding year being £12 13s. 6d. per bale, or 10·01d. per pound.

The amount realized for the wool sold in the principal wool-selling centres of the Commonwealth during the past six years has been as follows: 1930-31, £28,203,633; 1931-32, £29,363,156; 1932-33, £34,410,327; 1933-34, £51,098,717; 1934-35, £37,927,409; 1935-36, £49,100,537.

The carryover stocks on hand in the stores of the principal Australian wool-selling centres at June 30 totalled 76,083 bales, much of which has been sold privately since that date. The carryover is 14,664 bales less than last year.

There was a slight decrease in prices at the June sales as compared with those of May, due no doubt to the tariff difficulty with Japan and the unsettled state of affairs on the Continent. The first auctions of the next season will commence at Sydney on August 29.

## RESERVE BANKING AND EXCHANGE POSITION IN NEW ZEALAND

H. L. E. PRIESTMAN, ASSISTANT TRADE COMMISSIONER

Auckland, New Zealand, July 1, 1936.—Detailed reports on the constitution and powers of the Reserve Bank of New Zealand, which commenced operations on August 1, 1934, were published in *Commercial Intelligence Journal* Nos. 1571 (March 10, 1934), and 1597 (September 8, 1934).

The bank has been operating since establishment under the powers conferred by the Reserve Bank of New Zealand Act, 1933. Following upon a change of Government in New Zealand in November, 1935, the Reserve Bank was reorganized along lines consistent with the national program of the new Government, by an Act entitled the Reserve Bank of New Zealand Amendment Act, 1936, which is deemed to have come into force on April 1, 1936.

Among other notable alterations to the powers of the bank is the authority to grant accommodation to the Government to an unlimited amount for the marketing of primary products.

The bank is now entirely state-owned, and its monetary policy is such as is communicated to it from time to time by the Minister of Finance. The complete control of foreign exchange, if desired, is ensured to the Government by the new Act.

### NEW ZEALAND-LONDON EXCHANGE RATE

One of the inferences arising from earlier declarations of Government policy was that the exchange rate between New Zealand and London would be reduced. Any such movement is of vital concern to importers of goods, as is also the question of availability of exchange. An announcement has been made by the Prime Minister of New Zealand that a reduction in the exchange rate is not contemplated in the immediate future. With respect to the availability of exchange, the Minister of Finance stated in the debate on the Reserve Bank measure that his new power of suspension of access to sterling is not likely to be exercised except in an emergency, and that exchange would be made available normally to trading banks and others for legitimate purposes.

In view of these statements, and considering the large amount of sterling held in London on New Zealand account, importers have no hesitation at present, on the score of exchange, about making their usual overseas commitments. However, some apprehension arises from pronouncements that attempts will be made to balance direct trade by agreement with various countries, particularly those with which New Zealand has unfavourable visible trade balances. Canadian trade with New Zealand falls within this category, but if due weight were to be given to triangular exchange of goods, the situation might be greatly altered. Unfortunately, it is difficult to obtain authoritative statements of the value, for example, of New Zealand wool that is probably included in the large Canadian imports of wool and its products from such countries as the United Kingdom, with which New Zealand has a very favourable visible trade balance, largely produced by wool exports.

As a result of this uncertainty, some firms are unwilling to make additional Canadian connections until it is known if action is to take place which may affect such connections.

## INDIAN CEMENT INDUSTRY MERGER

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, July 3, 1936.—The consumption of cement in India has in the last ten or twelve years shown a rapid and steady increase. In 1914 the consumption of imported cement amounted to 150,530 long tons, and of that manufactured in the country, 945 tons. In 1919 imported cement consumed was

83,097 tons; that manufactured in India 86,812 tons. In 1934 imports dropped to 49,100 tons, and home-produced cement had risen to 747,818 tons; in 1935 the consumption of Indian-produced cement is given as 886,267 tons.

### INCREASED USE OF CEMENT

This substantial increase in consumption during the past few years is undoubtedly due to the progressive policy and modern methods followed by those directing the industry, who have endeavoured by steady reduction of selling prices to come into line with foreign producers and thus popularize its use as an ordinary building material. Not so many years ago the cost of cement in India did not place it in the category of such materials, so that reinforced concrete construction did not figure to any large degree for building purposes or engineering designs.

In recent years there has been a great change in this respect, and with selling prices at their present levels in almost all new construction of any consequence, cement or reinforced concrete is the favoured material. Reasons assigned for the increased popularity and use of cement are the increased knowledge of the technique of the design and construction of reinforced concrete; its fireproof qualities; its resistance to vermin and the ease with which it may be kept clean; its ability to withstand earthquake shocks; its low maintenance costs and its general economy due to its inherent strength; and to the fact that most of the materials necessary, in addition to cement, for the manufacture of concrete are nearly always close at hand.

In a country of vast distances like India, in order to popularize and bring cement into common use, prices must be brought to levels comparable to those countries where its manufacture is old established and the consumption per capita much greater than in India. In recent years the increased sales of Indian-made cement have enabled considerable reductions in selling price to be made to the consumer, but even so current prices are considerably higher than in other producing countries.

### CEMENT MARKETING BOARD

The formation six years ago of the Indian Cement Marketing Board has been largely responsible for the progress which the industry has made to date in the matter of sales promotion throughout the country, but it is felt that the quota system under which it works is not sufficiently flexible to keep pace with the demand which has grown so rapidly. The industry must therefore, if it is to continue to expand and develop or perhaps even retain its present state of prosperity, find an arrangement more adaptable to present conditions in the matter of distribution and the creation of new plants in areas from which an ever-increasing demand is developing in excess of the present economic supply.

With the object of consolidating and reorganizing the entire business of the various cement-manufacturing companies, not only from the point of view of sales and selling prices, but also with regard to manufacture, administration, new plant construction, and economical distribution, it has been proposed to organize a merger company. At present the industry consumes 350,000 tons of coal per annum and 18,000,000 jute bags for packing purposes and employs over 25,000 hands, in addition to those who derive a livelihood through its widespread selling organization.

### ABOLITION OF QUOTA SYSTEM

Under present conditions all supplies are purchased individually by the eleven companies operating. It is proposed under the merger company to abolish the present quota system and take the fullest advantage of the pro-

ducing capacities of the existing works which are favourably situated with regard to markets, and in the less economic centres production will be restricted. With this new scheme in operation, the promoters fully believe that the industry will be so equipped and constituted as to be able to meet any competition, domestic or foreign, with which it may be faced.

## FOREIGN TRADE OF THE NETHERLANDS, JANUARY TO JUNE

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One ton is one metric ton and equals 2,205 pounds; one florin or guilder equals \$0.67 at current rate of exchange.)

Rotterdam, July 29, 1936.—According to figures which have just been issued by the Central Bureau of Statistics, the foreign trade of the Netherlands for the first half of 1936 remains at the same level as that maintained in 1935. From the point of view of balance of trade, there has indeed been some improvement when the second quarter of the current period is compared with the first. For each quarter the value of imports remained fixed at fl.233,000,000, while on the other hand the value of exports rose from fl.156,000,000 (the lowest level yet reached for a quarterly period) to fl.163,000,000 in the second three months.

The subjoined figures indicate the trend of Holland's external trade by quarters since the beginning of 1934. Coin and precious metals are excluded from this table, as well as from the following sections of this report:—

	Imports			Exports		
	1934	1935	1936	1934	1935	1936
	Figures in Millions of Guilders					
January-March . . . . .	276	226	233	168	160	156
April-June . . . . .	261	229	233	171	159	163
July-September . . . . .	251	228	...	196	174	...
October-December . . . . .	250	253	...	177	182	...
Total for year . . . . .	1,038	936	...	712	675	...

While the foreign trade outlook in general remains dull, there is evidence of improvement in some branches of export activity which more than compensates for retrogression in others. This must ultimately be reflected in the import column through increased purchases of raw materials and other goods.

### IMPORT TRADE

Total imports into the Netherlands for the first half of the year showed a slight increase in value but a decrease in volume when compared with the corresponding period of 1935, the respective figures having been 9,354,584 tons at fl.466,446,000 and 9,727,523 tons at fl.455,444,000.

The trade returns issued by the Central Statistical Bureau classify all commodities in fifteen major groups, and a comparison of these for the two six-monthly periods does not reveal any marked diversifications. Increased imports of wheat flour from the United States are largely responsible for the increment under the heading of "flour and flour products," while an improvement in the demand for certain raw materials for use in Dutch industries is reflected in the group embodying minerals and metals.

Comparative figures of imports by main groups for the January-June periods of 1935 and 1936 are appended:—

Commodity	Jan.-June, 1935		Jan.-June, 1936	
	M. Tons	Fl.1,000	M. Tons	Fl.1,000
Animals and animal products . . . . .	46,748	12,150	46,628	12,028
Vegetable products . . . . .	1,737,599	106,958	1,618,104	104,548
Minerals and metals and manufactures thereof . . . . .	6,017,378	94,192	5,669,899	92,182
Flour and flour products . . . . .	44,283	2,943	72,853	4,441
Chemical products, medicines, paints and dyes . . . . .	195,888	18,159	163,716	18,912

Commodity	Jan.-June, 1935		Jan.-June, 1936	
	M. Tons	Fl.1,000	M. Tons	Fl.1,000
Oil, resin, yarn, balsam, tar, wax and products thereof	651,656	23,759	733,453	28,307
Wood and manufactures thereof and similar products, furniture . . . . .	504,742	18,468	535,561	19,736
Hides, skins, leather, manufactures thereof and footwear	20,369	11,490	16,180	12,324
Yarns, rope, textiles, clothing, etc. . . . .	43,974	55,989	44,009	57,411
Earthenware, porcelain and other artificial stone. . .	105,438	3,243	85,765	3,006
Glass and glassware. . . . .	27,835	3,171	24,445	2,652
Paper and paperware . . . . .	57,341	10,181	54,445	9,749
Foodstuffs and luxuries n.o.p. . . . .	169,477	24,605	179,791	25,667
Carriages, vessels and aeroplanes . . . . .	29,784	16,078	34,184	16,837
Other goods not specified above . . . . .	75,011	54,058	75,551	54,246
Total. . . . .	9,727,523	455,444	9,354,584	466,446

### EXPORT TRADE

As is the case with imports, with the exception of an increase in volume, there is little difference between the value or direction of the flow of exports during the period under review as compared with the first six months of last year. In 1935 total exports weighed 5,791,039 metric tons and were valued at fl.318,782,000. During the current period these figures were 6,229,526 tons and fl.318,256,000. While still very low, the value of exports would seem to have reached a certain degree of stability, some important groups even registering a slight increase. The value of exports of dairy products, for instance, one of Holland's most important articles from the point of view of foreign trade, rose from fl.33,840,000 to fl.39,715,000; butter alone showed an increase in value of fl.4,289,000 and in volume of 5,306 tons.

The average export price of butter for the first half of 1935 was fl.0.52 per kilo, while in 1936 it was fl.0.57. The export price to England was fl.0.37 in 1935 and fl.0.46 in 1936; to Germany fl.0.98 in 1935 and fl.0.96 in 1936.

As regards cheese exports, there was a slight recession, the total quantity having been 25,979 tons (fl.10,507,000) in comparison with 29,546 tons (fl.10,906,000) in 1935. Sweetened condensed milk rose from fl.4,497,000 to fl.4,698,000. There is also an increase in the figures covering unsweetened milk, these being respectively fl.1,526,000 and fl.1,908,000.

The volume and value of fresh egg exports remained much the same. During the first six months of 1936, 35,907 tons were exported valued at fl.12,237,000. Exports of margarine, which continue at a low level, have held their own. The same applies to artificial fertilizers and paper and paper products. As regards incandescent light bulbs and radio products, both important Netherlands industrial products, there has been a further decline. The value of the former fell from fl.2,629,000 to fl.2,283,000, while that covering radio parts went down from fl.17,749,000 to fl.11,063,000.

The export of artificial silk yarns and woollen and cotton goods has also declined.

### DISTRIBUTION OF TRADE

Owing to their geographical proximity, Germany, Belgium, the United Kingdom, and France occupy leading positions in Holland's external trade. Netherlands India, where most lines of production are in Dutch hands, is also an important source of imports and to a lesser extent a purchaser of goods from the mother country. Commercial relationships with the United States are extensive. In addition, this country is one of the principal buyers of Argentinian cereal products, which account for the high value of imports from that source.

The appended figures show the value of the Netherlands foreign trade with the above-named, as well as with certain other foreign countries during the

first half of 1936, with comparative figures for the corresponding period of the year before:—

	Imports from January-June		Exports to January-June	
	1935	1936	1935	1936
	Fl.1,000	Fl.1,000	Fl.1,000	Fl.1,000
Germany . . . . .	114,764	113,332	63,698	58,383
Belgium . . . . .	48,326	53,919	34,686	37,905
United Kingdom . . . . .	42,865	44,075	64,354	69,537
France . . . . .	21,039	19,263	24,118	21,730
United States . . . . .	32,461	36,575	15,992	18,712
Netherlands India . . . . .	25,704	36,224	14,597	18,101
Argentina . . . . .	41,748	27,782	3,658	3,100
Sweden . . . . .	6,346	6,671	8,567	8,843
Russia . . . . .	4,918	6,395	5,800	6,765
Switzerland . . . . .	5,639	4,521	7,674	7,131
Canada . . . . .	2,898	7,098	1,837	2,113

The subjoined notes contain additional details regarding Dutch trade with the more important countries, including Canada. The period reviewed is the first half of 1936 and comparisons are made with the corresponding period of the year before.

#### TRADE WITH GERMANY

Imports from Germany fell from 3,962,000 tons valued at fl.114,764,120 to 3,346,000 tons at fl.113,331,839.

This decline was caused by a deviation in the movements of a number of important commodities. The importation of coal and coke, for instance, dropped from 2,046,400 tons to 1,944,900 tons; of stone from 304,600 to 189,600 tons; of non-specified minerals and products thereof from 733,000 to 593,700 tons; of saltpetre and artificial fertilizers from 78,700 to 40,900 tons. There were similar contractions in non-specified vegetable products, which went from 10,200 to 5,400 tons; in chemicals from 48,400 to 37,800 tons; in wood and woodenware from 41,600 to 33,100 tons; in bricks from 17,200 to 14,500 tons.

As against these shrinkages there were a number of increases. In the first place, imports of wheat rose from 3,000 tons to 23,100 tons; raw cotton, which was credited to Germany, also rose from 1,800 tons to 2,600 tons. In other products, the value of which is, however, of comparatively minor importance, there were also increases. These included cement; iron and steel and products thereof; paper and machinery.

As regards exports to Germany, there was a decrease in the value figure; last year it was fl.63,698,908 in comparison with fl.58,383,395 for the current period. The decline in volume was not so great, the respective figures having been 1,102,298 and 1,065,680 tons.

The most marked decrease among exports was in the group "vegetable products n.o.p.," which dropped from 75,200 tons to 14,500 tons. The value fell from fl.2,400,000 to fl.1,800,000. There was also a drop in volume of fresh vegetable exports to Germany from 54,500 tons to 46,400 tons, although the value increased from fl.4,900,000 to fl.5,000,000. Exports of eggs dropped from 19,000 tons to 14,400 tons; of chemicals from 8,100 tons to 5,200 tons; of whale oil from 19,100 tons to 1,600 tons. There was also a decline in exports of piece-goods, salted meat, cheese, and seeds.

Increases in exports to Germany were not important and included coal; iron and steel and products thereof; different sorts of flour and offal from the milling industry; and vegetable oils.

#### TRADE WITH BELGIUM AND LUXEMBURG

Although there was a slight decline in the volume of imports into Holland from Belgium and Luxemburg, the value increased from fl.48,325,729 to fl.53,918,796, a fact which was assisted by the present low value of the Belgian franc.

The contraction in the volume of imports was caused by a shrinkage in the movement of several bulk commodities. These included wheat, corn, coal, chemicals, cement and bricks. On the other hand, there was an increase in both the weight and value of certain high-value commodities, including machinery, ships, yarns, paper, wood and woodenware, resin and gum, saltpetre, and artificial manure.

Turning to exports to Belgium, there was an increase in both volume and value, the former having risen from 1,911,000 tons to 2,084,000 tons and the latter from fl.35,000,000 to fl.38,000,000.

Among the commodities affected were minerals and similar products, which rose from 791,800 tons to 895,600 tons. There were also increases in butter, non-specified animal products, rye and oats, raw flax, iron and steel, chemicals and rags; but there was a decrease in exports of fresh vegetables, potatoes, and bricks.

#### TRADE WITH UNITED KINGDOM

A review of trade between the Netherlands and the United Kingdom shows an increase in both exports and imports. The latter went up from 698,000 tons to 708,000 tons valued respectively at fl.42,864,572 and fl.44,074,715, while the former rose from 513,000 tons at fl.64,353,823 to 598,000 tons at fl.69,536,951.

Among the imports which helped the rise were coke; non-specified cattle food, including soya bean cakes and cocoa cakes; coal; saltpetre; artificial manure; and mineral oil. There was a decrease in the importation of chemicals and vehicles.

As regards exports to the United Kingdom, the volume of Dutch potatoes going to that country rose from 2,000 tons to 50,400 tons. Fresh vegetables went up from 48,600 tons to 65,000 tons; butter from 12,100 tons to 18,200 tons; pulses from 5,900 tons to 13,600 tons; iron and steel (most of which was old iron) from 11,700 tons to 35,400 tons; flour and mill offal from 58,200 tons to 67,700 tons; paper from 94,600 tons to 101,300 tons.

On the other hand, there was a decrease in the exports of milk products from 49,000 tons to 43,500 tons. In addition, in the first six months of 1935 26,800 tons of wheat were exported to England, but none in the period under review. There were also decreases in exports of tin and tin products; vegetable oils; hardened whale oil; bricks; and sugar.

#### TRADE WITH FRANCE

There was a decline in both exports to and imports from France when the first six months of the current year are compared with the corresponding period of the year before.

Exports fell in volume from 866,411 tons (fl.24,118,193) to 821,059 tons (fl.21,730,496). Similarly, imports contracted from 236,916 tons (fl.21,039,088) to 193,845 tons (fl.19,263,469).

The most important commodity group which contributed to the decrease in imports was saltpetre and artificial manure, which contracted from 69,800 tons (fl.1,200,000) to 22,600 tons (fl.300,000). In addition, the group iron and manganese ore dropped from 42,800 tons to 39,400 tons; iron and steel and products thereof from 22,500 tons to 19,000 tons; and wheat from 9,900 tons to 6,400 tons.

The decrease in exports was spread out over a great number of commodities. The most important of these groups was vegetable products n.o.p., which dropped from 30,300 tons to 4,700 tons. There were additional declines in iron and steel, vegetable oils, and coal.

## TRADE WITH THE UNITED STATES

A Netherlands-United States trade agreement—the first of its kind—became effective on January 1, 1936, and this has undoubtedly assisted in the all-round increase in trade between the two countries which is shown in the half-yearly statistics.

Imports from the United States rose from 299,519 tons (fl.32,460,663) to 313,342 tons (fl.36,574,160). Similarly exports to the United States rose from 104,869 tons (fl.15,992,237) to 166,391 tons (fl.18,711,518).

As regards imports, wood and lumber went up from 21,400 tons to 32,100 tons; cattle food from 20,100 tons to 30,800 tons; wheat from 16,200 tons to 35,100 tons; and flour from 4,200 tons to 9,300 tons.

Among exports to the United States, iron and steel and products thereof went up from 12,300 tons to 38,600 tons. Other commodity groups included tin and tin products; husked grain; rope and cordage; rags; cocoa waste; and coal tar products.

## TRADE WITH NETHERLANDS INDIA

Trade with the Netherlands East Indies also shows an improvement in comparison with the first half of 1935, imports having risen from 91,009 tons (fl.25,703,798) to 125,175 tons (fl.36,223,884). Exports have also gone up from 45,010 tons (fl.14,596,695) to 64,232 tons (fl.18,101,491).

The increase in imports is due almost entirely to one commodity, copra, the quantity of which rose from 21,400 tons to 35,300 tons. Increases were also noted in imports of corn, unhusked rice, sisal, tin ore, exotic woods, coffee, and raw tobacco.

As regards exports to India, increases were noted in soft goods, iron and steel, tools and machinery.

## TRADE WITH CANADA

Trade with Canada during the period under review has been characterized by a marked increase in imports from Canada. In comparison with the first six months of 1935, the volume rose from 69,831 tons to 132,047 tons, while the value similarly increased from fl.3,898,000 to fl.7,098,000.

In exports to Canada an increase has also been noted, although it is smaller, particularly as regards value. The comparative figures representing volume were 11,457 tons and 19,182 tons, while the values were fl.1,837,000 and fl.2,113,000 respectively.

A glance at the imports shows the increase to be almost entirely due to much greater purchases of Canadian wheat, which during the six-months period have exceeded total imports for the whole year 1935. A number of other products have, however, helped in this movement.

The subjoined table lists the principal commodities and groups of commodities which have been imported into the Netherlands from Canada during the first six months of 1935 and 1936:—

*Principal Imports from Canada*

Commodity	Jan.-June, 1935		Jan.-June, 1936	
	M. Tons	Fl.1,000	M. Tons	Fl.1,000
Total . . . . .	69,831	3,898	132,047	7,098
Salmon, fresh, salted, smoked . . . . .	18	9	24	13
Fresh sea fish n.o.p. . . . .	.....	.....	35	15
Honey . . . . .	.....	.....	138	28
Animal casings . . . . .	.....	.....	68	9
Fishmeal . . . . .	949	63	904	64
Wheat . . . . .	50,645	2,378	114,888	5,684
Rye . . . . .	.....	.....	3,482	111
Oats . . . . .	4,572	197	1,431	67
Buckwheat . . . . .	4,328	197	1,319	57
Fresh apples . . . . .	1,756	115	.....	.....

*Principal Imports from Canada—Concluded*

Commodity	Jan.-June, 1935		Jan.-June, 1936	
	M. Tons	Fl.1,000	M. Tons	Fl.1,000
Dried apples . . . . .	81	17	.....	....
Linseed cake . . . . .	103	6	615	27
Copper (blocks and bars) . . . . .	.....	....	493	142
Flour . . . . .	1,666	118	2,699	203
Douglas fir, logs, timber (cubic metres) . . . . .	.....	....	837	15
Douglas fir planks and boards (cubic metres) . . . . .	.....	....	987	26
Sulphite pulp . . . . .	2,902	286	2,679	259
Rubber boots (pairs) . . . . .	4,637	12	5,999	17
Used jute sacks . . . . .	261	33	163	19
Binders (units) . . . . .	.....	....	21	11
Automobile tire casings (units) . . . . .	12,275	204	7,859	136
Automobile tubes (units) . . . . .	.....	....	3,719	7
Building board . . . . .	381	16	360	39

As has been noted above, exports of Netherlands merchandise to Canada during the first six months of 1936 have also shown a small increase in comparison with the corresponding period of the preceding year. Comparative figures are as follows:—

*Principal Exports to Canada*

Commodity	Jan.-June, 1935		Jan.-June, 1936	
	M. Tons	Fl.1,000	M. Tons	Fl.1,000
Total . . . . .	11,457	1,837	19,182	2,113
Poppyseed . . . . .	25	4	22	4
Carawayseed . . . . .	20	4	25	6
Mustard seed . . . . .	32	5	84	8
Vegetable seed . . . . .	17	12	15	8
Black currant pulp . . . . .	.....	....	6	1
Bulbs . . . . .	28	14	40	18
Nursery stock . . . . .	280	99	322	99
Products vegetable origin n.o.p. . . . .	.....	....	31	9
Wire netting . . . . .	32	4	110	14
Potato flour . . . . .	91	6	.....	....
Dextrine . . . . .	278	29	236	22
Medicines . . . . .	10	13	24	55
Non-specified chemical products . . . . .	90	40	123	47
Paint products . . . . .	684	72	1,136	119
Sesame oil . . . . .	.....	....	28	5
Cocoa butter . . . . .	.....	....	48	21
Rope and twine . . . . .	4,976	920	5,049	1,028
Fishing nets . . . . .	5	11	2	11
Cotton piece-goods (dyed) . . . . .	2	5	2	3
Cotton piece-goods (multi-coloured) . . . . .	25	51	36	64
Carpets and mats of jute . . . . .	.....	....	3	2
Printing and writing paper . . . . .	21	4	22	5
Chocolate . . . . .	10	4	47	12
Gin (1,000 litres equals 220 gallons of 50 per cent strength) . . . . .	8	6	2	1
Woollen and cotton rags . . . . .	401	58	674	106
Ferro-cyanide . . . . .	85	23	.....	....

**INFORMATION ON EXCHANGE RESTRICTIONS**

During the period of unsettled exchange conditions in many countries, it has been the practice to publish in the *Commercial Intelligence Journal* from time to time fairly complete reviews of the principal features of the exchange situation in countries regarding which it is most important that Canadian exporters be adequately informed. Canadian Trade Commissioners resident in territories where exchange control is in force are under instruction to prepare reports for publication dealing with major alterations in the methods of control and with revisions of policy or of regulations that affect imports from Canada. Apart from these published reports, the Commercial Intelligence Service has on file unpublished data which will be freely furnished, on request, to Canadian firms desiring information with regard to exchange conditions in specified countries.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT  
EFFECTIVE FROM JANUARY 1, 1936; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF JULY AND SEVEN MONTHS ENDED  
JULY 31, 1935 AND 1936)

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS DIVISION)

Commodities	Month of July				Seven months ended July				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value \$	Quantity	Value \$	Quantity	Value \$	Quantity	Value \$		
AGRICULTURAL AND VEGETABLE PRODUCTS										
Fruits—										
Apples, green or ripe.....			2	11	31	182	264	1,207	25c. per bu. 50 lbs.	15c. per bu. 50 lbs.
Strawberries, fresh.....	202,136	19,361	603,635	50,495	202,136	19,361	621,887	52,391	11c. per lb.	4c. per lb.
Grain products—										
Bran, shorts and middlings.....	291,746	283,709	412,791	413,758	1,949,416	2,265,923	1,464,709	1,251,961	10% ad val.	10% ad val.
Cereal foods, prepared, all kinds.....	68,925	4,093	173,004	5,323	370,567	30,792	371,985	42,515	20% ad val.	15% ad val.
Screenings.....	490	13,217	1,951	64,940	68,122	217,409	371,985	104,998	10% ad val.	10% ad val.
Hay.....	829,882	4,264	204,720	9,956	1,469,763	5,591	3,996,488	33,191	\$3 per ton (2,000 lbs.).	\$3 per ton (2,000 lbs.).
Maple sugar.....		105,672		25,416		183,074		674,795	6c. per lb.	4c. per lb.
Seeds—										
Clover seed, alfalfa.....					1,049	12,981	985	10,417	8c. per lb.	4c. per lb.
Clover seed, alsike.....					12	88	313	2,919	8c. per lb.	4c. per lb.
Grass seed.....	800	1,512	99	206	65,903	414,026	55,270	60,190	2c. per lb.	1c. per lb. (mainly timothy).
Vegetables—										
Certified seed potatoes (a).....			802	727					75c. per 100 lbs.	45c. per 100 lbs., Mar. 1 to Nov. 30, if certified seed;
										60c. per 100 lbs., Dec. 1 to last day of Feb., if certified seed;
	47	56			232,070	57,864	639,989	614,282		75c. per 100 lbs. on imports of certified seed in excess of 750,000 bu. during each twelve-month period, beginning Dec. 1, in any year.
Potatoes, n.o.p. (b).....			90,264	96,912					75c. per 100 lbs.	75c. per 100 lbs.
Turnips.....	26	6	7	5	848,391	187,599	1,171,554	365,430	25c. per 100 lbs.	12½c. per 100 lbs.
Whiskey.....	172,807	938,322	326,471	1,365,711	999,466	5,625,557	2,332,805	11,051,557	\$5 per pf. gal.	\$2.50 per pf. gal. if aged in wooden containers for at least four years; \$5 per pf. gal. if otherwise.
ANIMALS AND ANIMAL PRODUCTS										
Animals living—										
Dairy cattle—										
Weighing 175 to 700 lbs. (a).....			57	2,393					2½c. per lb., 175 to 700 lbs.	2½c. per lb., 175 to 700 lbs.
Weighing over 700 lbs. (a).....	742	46,635	637	42,555	3,452	215,181	4,289	255,946	3c. per lb. if over 700 lbs.	1½c. per lb. if over 700 lbs.
										3c. per lb. if over 700 lbs. on imports in excess of 20,000 head during any calendar year.

Cattle, n.o.p.— Weighing less than 175 lbs. (a).....No.				(2) c. per lb., if less than 175 lbs.				11c. per lb., if less than 175 lbs.; 24c. per lb., if less than 175 lbs. on imports in excess of 51,933 head during any calendar year.			
5,847	229,081	2,201	292,424	76,207	4,265,191	174,773	6,914,118	24c. per lb., if 175 to 700 lbs.; 3c. per lb., if over 700 lbs.	21c. per lb., if 175 to 700 lbs.; 3c. per lb., if over 700 lbs.	21c. per lb., if 175 to 700 lbs.; 3c. per lb., if over 700 lbs.	21c. per lb., if 175 to 700 lbs.; 3c. per lb., if over 700 lbs.
932	91,894	1,167	150,538	3,836	453,371	13,821	1,689,005	\$30 per head, if valued at not more than \$150; 20% ad val., if valued more than \$150.	\$30 per head, if valued at not more than \$150; 20% ad val., if valued more than \$150.	\$30 per head, if valued at not more than \$150; 20% ad val., if valued more than \$150.	\$30 per head, if valued at not more than \$150; 20% ad val., if valued more than \$150.
2,620	869	55,633	28,171	15,183	4,686	178,311	98,179	8c. per lb., if chickens, ducks, geese, turkeys, and guineas.	8c. per lb., if chickens, ducks, geese, turkeys, and guineas.	8c. per lb., if chickens, ducks, geese, turkeys, and guineas.	8c. per lb., if chickens, ducks, geese, turkeys, and guineas.
11,685	14,591	4,090	6,409	32,888	33,909	26,687	27,585	Free.	Free.	Free.	Free.
2,248	1,300	5,155	4,824	17,800	4,133	1,020	5,208	1c. per lb.	1c. per lb.	1c. per lb.	1c. per lb.
2,332	18,223	5,301	44,363	17,381	166,469	26,626	234,407	2c. per lb.	2c. per lb.	2c. per lb.	2c. per lb.
32,734	27,264	11,930	9,677	109,484	112,135	42,524	53,159	Free.	Free.	Free.	Free.
4,255	40,336	4,808	47,950	12,682	127,662	12,751	163,308	1c. per lb.	1c. per lb.	1c. per lb.	1c. per lb.
15,948	245,332	18,356	269,932	66,723	1,152,753	76,404	1,480,924	Free.	Free.	Free.	Free.
8,000	87,158	11,171	131,971	26,965	260,360	32,863	358,442	2c. per lb.	2c. per lb.	2c. per lb.	2c. per lb.
24	63	307	49,312	49,312	49,312	64,073	621,004	Free.	Free.	Free.	Free.
360	6,043	2,623	35,232	365	0,003	3,014	41,835	2c. per lb., if not frozen.	14c. per lb., if not frozen.	14c. per lb., if not frozen.	14c. per lb., if not frozen.
32	163	4	53	13,145	74,690	14,839	88,304	1c. per lb.	1c. per lb.	1c. per lb.	1c. per lb.
9,471	101,086	9,629	116,026	65,701	661,819	69,931	761,503	1c. per lb.	1c. per lb.	1c. per lb.	1c. per lb.
240	400	100	188	1,746	5,082	1,971	2,527	14c. per lb., net weight.	14c. per lb., net weight.	14c. per lb., net weight.	14c. per lb., net weight.
72	553	1,696	3,065	4,734	17,995	8,959	30,974	3c. lb., if boned.	3c. lb., if boned.	3c. lb., if boned.	3c. lb., if boned.
545	7,670	437	5,746	2,688	39,188	687	7,478	25% ad val., not boned.	25% ad val., not boned.	25% ad val., not boned.	25% ad val., not boned.
.....	.....	2	23	97	1,806	4	53	23% ad val., if razor blades; otherwise, 35% ad val., if other kinds.	23% ad val., if razor blades; otherwise, 35% ad val., if other kinds.	23% ad val., if razor blades; otherwise, 35% ad val., if other kinds.	23% ad val., if razor blades; otherwise, 35% ad val., if other kinds.
987	51,065	1,134	70,819	2,901	155,848	3,162	192,627	Free.	Free.	Free.	Free.
5,316	55,194	5,214	67,568	37,695	329,656	23,620	200,104	Free.	Free.	Free.	Free.
7,291	38,361	5,385	49,832	99,710	90,825	1,022,017	1,022,017	Free.	Free.	Free.	Free.
91,470	103,992	20,823	30,977	489,917	525,461	208,985	311,600	Free.	Free.	Free.	Free.
2,670	21,794	3,171	36,067	20,129	146,815	39,531	331,943	Free.	Free.	Free.	Free.
.....	.....	.....	335	.....	.....	.....	1,740	12 1/2% ad val.	12 1/2% ad val.	12 1/2% ad val.	12 1/2% ad val.
.....	3,405	.....	14,841	.....	.....	.....	63,925	15% ad val.	15% ad val.	15% ad val.	15% ad val.

(b) Includes "certified seed potatoes" prior to April 1, 1936.

(a) Not separately shown prior to April 1, 1936.

## CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES, Etc.—Concluded

Commodities	Month of July				Seven months ended July				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
<b>Meats—</b>										
Poultry, dressed or undressed.....Lb.	9,317	\$ 1,801	43,032	\$ 11,280	67,655	\$ 12,920	139,444	\$ 35,173	10c. per lb.	6c. per lb., if chickens and guinea; 10c. per lb., if other
<b>Milk products—</b>										
Cheese.....Cwt.	81	1,679	18,208	246,700	2,052	37,202	53,873	723,494	7c. per lb., but not less than 25% ad val.; if cheddar cheese in original boxes; 7c. per lb., but not less than 35% ad val., if other kinds of cheese.	5c. per lb., but not less than 25% ad val.; if cheddar cheese in original boxes; 7c. per lb., but not less than 35% ad val., if other kinds of cheese.
<b>Cream.....Gal.</b>			360	540	5		6,156	8,358	56-6/10c. per gal.	35c. per gal.; 30-6/10c. per gal. on imports in excess of 1,500,000 gals. during any calendar year.
<b>Whale oil.....Gal.</b>	88,994	22,176	177,882	44,352	251,499	63,043	256,541	64,310	5c. per gal.	2½c. per gal.
<b>Wood, Wood Products and Paper</b>										
<b>Wood and products—</b>										
Shingle bolts of pine or cedar.....Cord	6	24			105		78	322	Free.	Free.
Stave and other bolts, n.o.p.....Cord	3,374	16,189	4,770	23,235	28,112	127,882	28,224	126,593	Free.	10% ad val.
Firewood.....Cord	30,079	71,434	28,903	100,817	128,964	296,877	119,862	376,782	Free.	Free.
Laths.....M ft.	9,313	89,262	38,846	48,227	37,718	362,657	69,049	384,071	Free.	Free.
Masts and spars.....M ft.								20	\$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.
<b>Pickets.....M</b>	1,291	9,028	1,362	9,554	4,501	34,337	3,313	22,998	Free.	Free.
<b>Piling.....Lin. ft.</b>	53,835	3,321	103,863	5,424	186,764	13,453	280,498	20,448	\$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.
<b>Planks and boards—</b>										
Flooring of hardwood.....M ft.	65	3,537	84	4,113	341	16,627	297	14,678	8% ad val.	4% ad val.
Planks and boards, softwood.....M ft.	40,367	923,924	47,793	1,085,159	171,924	4,008,480	295,681	6,493,912	\$1 per M ft. b.m. Revenue Tax if fir, spruce, pine, hemlock or larch; (a) free, if other kinds of wood, but subject to \$3 Revenue Tax per M ft. b.m.	\$3 per M ft. b.m. Revenue Tax if fir, spruce, pine, hemlock or larch; (a) free, if other kinds of wood, but subject to \$3 Revenue Tax per M ft. b.m.
<b>Planks and boards, hardwood.....M ft.</b>	1,701	55,445	3,715	130,344	7,616	282,753	17,477	604,554	Free, but subject to \$3 per M ft. b.m. Revenue Tax.	Free, but subject to \$1.50 per M ft. b.m. Revenue Tax.
<b>Poles—</b>										
Telegraph and telephone.....No.	21,667	56,340	38,794	105,444	128,935	347,881	130,452	361,594	Free.	Free.
Other poles.....No.		2,559		4,987		4,883		38,933	Free.	Free.
Posts, fence.....No.	30,506	2,518	33,793	4,168	249,357	21,489	329,650	29,362	Free.	Free.
Pulpwood.....Cord	116,472	931,372	179,927	1,463,911	443,893	3,058,703	507,871	3,652,750	Free.	Free.
Railroad ties.....No.	2,267	1,577	33,503	22,535	52,338	30,535	113,776	91,829	Free.	Free.
Shingles.....Square	349,784	960,715	215,718	588,025	1,227,038	3,115,870	1,145,316	2,967,358	Free.	Free.
Staves and headings.....		465		1,756		28,240		7,710	Free, if staves; 133% ad val. if headings.	Free, if staves; 133% ad val. if headings.

Timber, square, softwood.....	M. ft.	570	9,771	702	11,184	1,437	27,870	3,805	61,159	\$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.
Timber, square, hardwood.....	M. ft.				24	3	298		41	Free.	Free.
Wood, pulp.....	Cwt.		51	1	2,142,223	5,743,376	12,418,215	7,071,207	14,526,588	Free.	Free.
Paper—Newsprint.....	Cwt.		5,741,117	3,561,711	6,192,086	22,511,670	33,919,761	25,809,332	44,691,320	Free.	Free.
IRON AND ITS PRODUCTS											
Farm implements—											
Cultivators.....	No.	63	5,476	7	1,395	1,060	92,469	1,375	101,193	Free.	Free.
Drills.....	No.	106	12,533	21	1,945	264	31,488	361	37,078	Free.	Free.
Harrows and parts.....	No.		2,328		5,110		120,787		137,793	Free.	Free.
Harvesters and binders.....	No.	32	5,450	34	5,016	556	170,787	707	170,787	Free.	Free.
Hay rakes.....	No.	42	1,396	43	2,816	594	17,380	122	4,483	Free.	Free.
Mowers and reapers.....	No.	121	7,198	39	4,158	1,949	68,350	508	29,482	Free.	Free.
Ploughs and parts.....	No.		25,169		21,901		28,600		273,093	Free.	Free.
Reaper threshers.....	No.	3	7,542	21	25,929	49	21,239	162	378,723	Free.	Free.
Parts of farm implements, n.o.p.....	No.		70,665		26,468		210,272		376,339	2c. per lb. on silicon content.	1½c. per lb. (on silicon content) when containing 8% or more but not less than 30% of silicon.
Ferro-silicon.....	Ton	660	7,026	365	3,601	4,712	83,966	3,080	65,339	1½c. per lb. on manganese content.	1c. per lb. (on manganese content) when containing not less than 4% of carbon. 15% ad val.
Ferro-manganese and other ferro-alloys											
n.o.p.....	Ton	1,988	54,398	6,342	171,916	14,163	371,784	21,334	557,803	1½c. per lb. on manganese content.	1c. per lb. (on manganese content) when containing not less than 4% of carbon. 15% ad val.
Skates.....											
NON-FERROUS METALS AND PRODUCTS											
Cobalt in ore.....	Pair	11,255	8,007	9,379	7,155	28,526	20,206	131,997	81,892	20% ad val.	
Nickel in matte or spiss.....	Cwt.	2	95	169	9,179	260	9,202	629	33,685	Free.	Free.
Nickel in oxide.....	Cwt.	5,020	89,975	8,170	147,021	53,744	967,257	65,286	1,173,158	Free.	Free.
Nickel in metal.....	Cwt.	447	9,397	448	9,635	3,518	70,105	8,288	162,724	Free.	Free.
NON-METALLIC MINERALS AND PRODUCTS											
Abrasives, artificial, crude.....	Cwt.	97,986	254,909	114,574	321,957	743,697	1,788,334	816,743	2,083,375	Free.	Free.
Asbestos.....	Ton	4,992	219,710	6,819	326,304	29,129	1,484,445	39,716	2,106,012	Free.	Free.
Asbestos sand and waste.....	Ton	7,679	110,007	1,324	187,060	41,948	644,842	67,253	1,063,195	Free.	Free.
Feldspar.....	Ton	1,628	49,928	2,723	82,816	5,151	127,847	3,221	34,792	50c. per ton, if crude. 35c. per ton, if refined.	
Gypsum, crude.....	Ton	52,834	63,739	67,741	81,763	131,370	154,870	199,463	197,943	Free.	Free.
Lime.....	Cwt.	3,067	2,831	18,521	7,953	60,449	27,219	125,609	31,445	Various.	Various.
Talc.....	Cwt.	13,330	6,694	17,156	8,366	88,301	42,272	97,398	48,678	35% ad val.	25% ad val.
CHEMICALS AND ALLIED PRODUCTS											
Acetic acid.....	Cwt.	8,458	50,254	21,098	112,581	192,038	1,127,971	152,427	821,442	2c. per lb., if over 65% free. 1½c. per lb., if over 65% free.	
Cyanamid.....	Cwt.	86,093	84,742	79,773	78,247	1,516,573	1,622,488	1,558,717	1,618,498	Free.	Free.
Sulphuric acid.....	Cwt.	1,066	533	1,271	1,325	9,355	6,039	9,614	6,356	Free.	Free.
MISCELLANEOUS COMMODITIES											
Organs.....	No.	1	75			4	25,115	2	6,793	35% ad val.	25% ad val.
Total exports of above commodities.....			14,344,735		17,518,346		92,281,872		116,015,514		
Total domestic exports to United States.....			28,179,018		29,517,464		185,913,609		196,353,479		

(a) Reduced rates not applicable to imports of Douglas fir or Western hemlock in any calendar year in excess of an aggregate quantity of 250,000,000 feet, board measure.

WHEAT AND FLOUR TRADE REGULATION IN EUROPEAN COUNTRIES

VI

Irish Free State

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, July 10, 1936.—Since 1932, the Government of Saorstát Éireann has adopted a vigorous policy of weaning the Free State from pasturage to tillage, and one of its principal endeavours is to become entirely self-supporting in the production of wheat and flour. Wheat, after years of desuetude, has again become a major and profitable crop, and imports of flour have fallen away considerably. The coming wheat crop is expected to be reaped from some 190,000 acres. The area would have been larger but for wet weather at the sowing season, when some land became incapable of being seeded.

WHEAT

Although formerly free of duty, an import tax of 6 pence per cwt. (112 pounds) on all wheat, with no preferential rate, has been imposed. All importers of wheat must be licensed by the Government and registered. Wheat can only be sold to licensed millers or to other registered importers, who must (under penalty) keep a written record of all transactions. There is, as yet, no difference in the regulations affecting the importing of seed or milling wheats. On March 14 of this year, however, the Department of Agriculture issued the following circular:—

The Minister for Agriculture wishes to announce that in view of the shortage existing this year in the available supplies of seed wheat of the ordinary spring varieties, having regard to the largely increased area which has been got ready for this crop, he has decided as an exceptional measure to meet the convenience of farmers who have made extensive preparations for the sowing of spring wheat, to authorize millers who are known to have satisfactory stocks of Manitoba No. 1 to sell this variety for seed this year.

The Minister desires to impress upon growers the fact that while this variety in the various tests carried out last year gave generally satisfactory results when sown in really good land, it did not prove quite so satisfactory on the lighter soils. Consequently, the best results are to be anticipated from this variety when it is sown on the best soils.

Within the past year there has been an important change in the state aid granted to growers of wheat. The Government has now abandoned the bounty system of subsidizing wheat growers formerly in operation, because of the long lapse of time that, in practice, took place between the sowing of the seed and the receipt by the farmer of the state moneys. By the 1935 Amendment of the Cereals Act of 1933, the registered wheat millers now have to pay fixed minimum wheat prices to the growers, as per the following rates:—

Minimum Prices for Home-grown Millable Wheat for Sale (Wheat) Years 1935-36 and 1936-37

Classes of Home-grown Wheat	Minimum Prices for Barrel of 20 Stones (280 Lbs.)	
	Sept.-Dec.	Jan.-Aug.
	s. d.	s. d.
Wheat having a bushel weight not less than 64 lbs. . . . .	24 6	27 0
Nine classes of wheat are provided for, each class diminishing in bushel weight by 1 lb., and in price by 3d. per class to:		
Wheat having a bushel weight less than 57 lbs. but not less than 56 lbs. . . . .	22 6	25 0

The amending law was designed mainly to transfer to the industry the charge formerly on the taxpayers, and also to take care that every miller must buy a definite proportion of his allotted quota of wheat each month (commencing

October), the percentages being so arranged that the great bulk of the wheat should be in the millers' storage, and the cost for it in the farmers' hands within three months of the harvest, and all of it by the end of the following May. Millers are required to provide the necessary storage and drying plant, which are rigidly inspected beforehand. The poverty and unpreparedness of the farmers, and the liability to wet harvesting weather, necessitated these altered provisions.

During this calendar year the proportion of home-grown cereals (including wheat) which must be used in all maize-meal mixture sold in the Free State was increased from 33 to 50 per cent. Licensed millers are also compelled to use a proportion of home-grown wheat in all flour milled. The percentage varies, but is as high as 33·3 when supplies are sufficient, and down to 21·5 when such wheat is short.

Imports into the Irish Free State for the years 1932, 1934, and 1935 were as follows: 1932, 5,917,849 cwts. (£1,914,076); 1934, 9,437,475 cwts. (£2,699,067); 1935, 7,558,412 cwts (£2,385,650). The principal consigning countries in 1935 were Australia, Canada, and Argentina.

## FLOUR

By the Control of Imports Act, flour (together with articles containing wheat, e.g. breakfast foods, etc.) is one of the many commodities that may only be imported under licence of the Minister of Industry and Commerce. As the capacity and number of the Free State flour mills increased, so the amount of imported flour admitted has diminished. At the present time the import trade in wheat flour is of small value here, and the existing mills, which include many new ones and several reopened ones, are finding local competition very keen, and short-time production seems inevitable, unless some of the weaker mills give up. At the moment it is unlikely that any will do so, because the Saorstad Government has allocated among the millers the quota of wheat, etc., which they can mill, and they must neither exceed nor fall below it, without incurring heavy penalties.

One of the results of the control has been the increased food prices, bread costing 22 cents retail in Dublin for a 4-pound loaf. The millers, bakers and distributors are said to have been making excessive profits, and at the time of writing there is a Bill before the Dail entitled the Bread (Regulation of Prices) Bill, 1936, providing for the power to fix the price of flour and of bread of all kinds.

Flour imports into the Irish Free State totalled in 1932, 2,964,923 cwts. (£1,559,296); in 1934, 586,040 cwts. (£281,408); and in 1935, 227,951 cwts. (£100,940). Great Britain and Canada are the principal sources of supply.

## VII

### Portugal

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

## WHEAT

Milan, July 17, 1936.—Importation of wheat into Portugal is only allowed by special decree. These decrees will specify what quantities will be imported and the customs duties payable. The customs duties are levied at a rate designed to equalize prices prevailing on world markets and those on domestic markets.

As no importation of wheat has been made into Portugal for some years, the manner in which this system of duties works out in actual practice cannot be illustrated by quoting a recent or current rate.

There are no quotas, but all importation is in the hands of the National Federation of Millers, working in conjunction with the National Federation of Wheat Producers, for the joint purpose of rationalizing the milling industry.

### MILLING RESTRICTIONS

Owing to the excessive over-expansion of milling establishments for national requirements, the distribution of both domestic and imported wheat to Portuguese millers has been controlled. This rationing of grain by the National Federation of Millers is expected to reduce the number of mills in the country.

### EXCHANGE CONTROL

There is no difficulty in making payments for imported goods. There is no lack of foreign cover, and permits to purchase exchange are freely granted. Permits are not required for the purchase of sums up to \$500 per month per person.

The policy of the Government is to facilitate foreign trade transactions, and in view of the well-balanced budget there is no need to restrict the outflow of money.

### WHEAT CONSUMPTION AND PRODUCTION

The average annual consumption of wheat in Portugal is approximately 12,127,500 bushels. As last year's crop was over 22,050,000 bushels, Portugal has recently become a wheat exporter.

It is estimated that the wheat crop of Portugal this year will be 9,187,500 bushels, which is 2,940,000 bushels less than the country's annual consumption, but there are very large stocks on hand. As last year's crop was over 22,050,000 bushels, any likelihood of a shortage is very remote; consequently it may be said that Portugal will not need to import wheat. Last February the Portuguese Government exported 3,675,000 bushels of wheat, but it is learned that further sales for the time being are not contemplated. Doubtless when an equilibrium has been established between stocks on hand, present production, and consumption, should there be an available surplus the Portuguese Government will endeavour to dispose of it, after seeding needs and carryover have been considered.

### FLOUR

No wheat flour may be imported into Portugal except by ministerial decree. As in the case of wheat, customs duties payable on flour imports are specified concurrently with the issuance of the decree.

Imported flours must conform to the same specifications as those applying to domestic flours, viz: moisture limit, 15 per cent; ash, 1 per cent; acidity, 0.05 per cent; dry gluten, minimum, 7 per cent.

The extraction ratio for wheat is equal to the specific weight of the grain, i.e., the weight per hectolitre. Accordingly for wheat, the specific weight of which is 78, 78 kilos of flour are produced from 100 kilos (220 pounds).

The only market for Canadian wheat flour in Portugal at the present time, owing to the satisfactory home production, is for the ship chandlers' business.

## TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in the interest of Canadian trade with their respective territories: Mr. V. E. Duclos, Hongkong (whose territory includes South China, the Philippines, and Indo-China); Mr. L. M. Cosgrave, Melbourne, Australia; and Mr. M. B. Palmer, Mexico City, Mexico (whose territory includes Guatemala, Honduras, and Salvador).

Their itineraries are as follows:—

### Mr. Duclos

Paris and Brantford. . . Aug. 24	Windsor. . . . . Aug. 27
Woodstock and London . Aug. 25 and 26	Toronto. . . . . Aug. 28 to 31

### Mr. Cosgrave

Toronto. . . . . Aug. 27 to Sept. 5	Calgary . . . . . Sept. 10
Winnipeg . . . . . Sept. 7	Edmonton . . . . . Sept. 11
Portage la Prairie . . . Sept. 8	New Westminster. . . . Sept. 14 and 15
Regina . . . . . Sept. 9	

### Mr. Palmer

New Westminster, Vancouver and Victoria. . . . . Aug. 31 to Sept. 12
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Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Winnipeg, Edmonton, Vancouver, and Victoria, with the office of the Canadian Manufacturers Association; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## MARKET FOR HEMLOCK EXTRACT IN THE UNITED STATES

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

New York, August 10, 1936.—Hemlock extract finds its major market among tanners in the eastern United States. It is effective in producing a rather stiff, dark red leather, and as the market for this product is now rather limited, the market for hemlock extract is likewise limited. It is still used in moderate quantities, however, by sole leather manufacturers. Unfortunately, there are no statistics available as to actual consumption and the above statements reflect only current trade opinions.

In past years hemlock extract has been manufactured largely in the Eastern States. According to one authority, one cord of Eastern hemlock produces one cwt. of extract of 9 per cent tanning content. Due to persistent cutting, there are few easily available growths of hemlock left and consequently the price of hemlock extract at present is considered too high to encourage extensive purchases. There appear to be only about four firms producing hemlock extract in commercial quantities at the present time. The United States Bureau of Chemistry at Washington have been conducting investigations into the possibility of utilizing Western hemlock bark for the manufacture of hemlock extract, as it is believed to yield a much higher tanning content than Eastern hemlock. To overcome the problem of high freight costs involved in shipments from the Western States, investigations are being made with a view to supplying hemlock extract in powdered form. The results of these investigations have not so far

been published, although it is stated in the trade that private investigations which were made previously were not encouraging. There are no figures available as to the production of hemlock extract and, as far as can be ascertained, there have been no imports. Hemlock bark, on the other hand, has been imported from Canada. In 1934 these imports amounted to 1,163,420 pounds valued at \$4,233.

#### PRICES

Prices for hemlock extract quoted on the open market have advanced since July 1 from 2 cents per pound to  $2\frac{5}{8}$  cents per pound in tanks f.o.b. shipping point, and from  $2\frac{7}{8}$  cents to 3 cents per pound in barrels. This latter price is comparable to that of mangrove extract, which is also used for tanning and is now being quoted on the open market at 3 to  $3\frac{1}{4}$  cents per pound in liquid form and 6 to  $6\frac{1}{4}$  cents per pound in solid form.

Hemlock bark prices vary between \$7 and \$10 per ton, according to quality and terms. One large firm of extract manufacturers at Lynchburg, Virginia, state that they paid 50 cents per 100 pounds delivered at their plants for merchantable hemlock bark properly cured and in sound condition.

Tanners state that it is their practice to purchase tanning extracts under contract for delivery over three- and six-month periods. There are variations to this procedure, of course, to suit the needs of individual firms.

While it is possible that a moderate sale of hemlock bark, which is permitted to enter the United States duty free, may be expected to continue, it is doubtful if there is any opening for hemlock extract in liquid form. Potential Canadian producers would be faced with a duty of 15 per cent and the cost of transportation when endeavouring to meet the competition of producers in the Eastern United States who are fairly close to the consuming areas. At the same time, the market appears to be incapable of expansion and new sources of supply would only tend to intensify competition and force down existing prices. Unless Canadian shippers can produce a very unusual product, say in powdered form, which would offset the freight charges and permit sales at very moderate prices, there is little prospect of sales in the United States market.

### MARKET FOR PUREBRED CATTLE IN ARGENTINA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, July 23, 1936.—The Argentine cattle breeder has long since recognized the importance of uniformity in types in producing stock economically, particularly of the beef breeds for the chilled meat trade to the United Kingdom. Similarly the few large dairy herds are bred from the best stock available both here and abroad. The original native-type cattle, which originated during the Spanish colonial period, practically no longer exist as a factor in the meat industry, having been bred out through the regular importation over a long period of years of outstanding purebred stock from abroad.

Cattle-breeding is a large-scale industry in Argentina. It is estimated that 90 per cent of the more than 30 million cattle in this country are owned by individuals with 250 head or more each. It is an export industry to the extent that 30 per cent of the 6 million head slaughtered annually are shipped to foreign markets, for the most part as chilled, and, to a lesser extent, frozen meat. The greater percentage of the cattle are bred on very large estancias or estates for grazing cattle which may comprise upwards of 50,000 acres each. Many single holdings are very much larger than this figure and relatively few of the cattle are on smaller units.

### PASTURE FOR CATTLE

In Argentina the cattle feed on natural or cultivated pasturage, as alfalfa, throughout the year. The cattle are practically all in the agricultural areas, the estancias being contiguous to wheat and other grain farms. The land may be used alternatively over a long period for grazing or grain, although the cattle breeder is almost invariably a specialist. If grain is grown on part of an estate, it is generally in preparation for re-seeding to grass and is rented for this purpose to a small tenant farmer or farmers who ordinarily grow grain. Consequently, while the cattle breeder and the tenant grain farmer are distinct as far as classification is concerned, they operate in their respective fields in the same areas.

Since cattle breeding is carried on in the cultivated areas, there is a large acreage seeded to alfalfa. In 1934, there were more than 14 million acres in alfalfa. The alfalfa is only cut over an area sufficient to provide seed, the remainder being used for pasture. Alfalfa is peculiarly suited to the climatic and soil conditions in very extensive areas and may last with one seeding up to sixteen years or longer in particular districts.

### MIGRATION OF CATTLE

In certain areas where alfalfa does not do well on account of soil conditions, natural grass which does not have to be re-seeded unless under very exceptional circumstances is used for pasture. Generally cattle raised and pastured on the natural grass are sold as yearlings for transfer to an alfalfa-growing district, where they are finished usually at two years of age for slaughter at an average weight of 1,100 pounds.

This migration of cattle, which is more evident in years of drought, is an important element in the cattle industry from the point of view of specialization and transportation problems.

Supplementary feeding in addition to the alfalfa or natural grass for pasture is confined to forage crops as oats, barley or corn, which are used for the breeding stock or occasionally during the summer when the pasture is poor but only in very exceptional cases extends to the general herds. Grain is never used for finishing live stock in Argentina.

### IMPROVEMENT OF STOCK

The Argentine Government have not contributed directly to the improvement of the various breeds through the importation of new stock, nor do they maintain experimental farms for breeding purposes, although every encouragement has been given private breeders by way of facilitating the entry of imported animals of recognized quality and providing professional services for the control of disease. Excellent statistical records are maintained.

### ARGENTINE RURAL SOCIETY

The Argentine Rural Society, which comprises among its members all the leading breeders, has had a most important influence on the cattle-raising industry. This society was established in 1875, and since 1878 has sponsored the annual cattle show for purebred stock held at Buenos Aires. In 1878 a Herd Book was instituted on the same principles as Coates Herd Book in England. The Herd Book is still under the supervision of the Rural Society. Since 1903 inscription in the Year Book has been confined to animals whose pedigrees can be traced back on both sides through Argentine and British, or other approved, records to 1850.

### NATIVE CATTLE

The native cattle came from stocks imported into Argentina from Spain in the early colonial period. These cattle ran wild and multiplied rapidly, but

had little or no economic value until comparatively recent years, since it has been practicable to ship frozen and, still later, chilled meat to the United Kingdom and to Europe. The earliest records of importations of purebred animals from England go back as far as 1843, but it was not until towards the close of the last century, when the demand for meat had vastly increased, that Argentine breeders generally began to take an interest in improving their herds.

#### EXPERIMENTAL WORK OF THE LARGE-SCALE BREEDER

It has been the large-scale breeder in Argentina, supplemented in this work by the large foreign meat packers who have herds of their own and ample funds available in normal times for the purpose, who has carried on the experimental work towards improving the herds and to this end has been willing to pay fancy prices for the best stock available in England and elsewhere.

This development work has reached the point where there have been 497,735 cattle of all breeds registered as purebred in the Herd Book, which under the regulations covering their inscription means that this number are imported or descended directly from imported stock on both sides. Further, the official records show that upwards of 70 per cent of all the cattle in Argentina are from purebred stock on the male side and in varying degrees on the female side. The great majority of the large herds of beef cattle are practically pure strains of the leading beef breeds. The dairy herds of the milking breeds, of which Holsteins are the most popular, are practically all from purebred stock.

#### BREEDING ESTABLISHMENTS

In order to appreciate the point of view of the Argentine cattle breeder in respect of imported stock for improvement purposes, it is necessary to understand the organization of the industry. There are three quite separate classifications of breeding establishments in Argentina, which are as follows:—

##### (1) THE "CABAÑA"

The term *cabaña* in Spanish means a hut or shelter, but as used in stock breeding in Argentina it applies to an establishment where only purebred cattle are kept. The use of the term in this connection no doubt arose due to the fact that the importers and local breeders of purebred stock were the first, and still are, the only breeders to provide shelter at night for their cattle in Argentina. Such shelter is only desirable or necessary for show or particularly valuable stock.

The owner of a *cabaña* may be a specialist breeding only purebred stock, but is usually one of the very large cattle *estancieros* or landowners. The *cabaña* in any case is always kept entirely separate from the general herd of cattle on the property. It may be taken that the great majority of the registered females of all the beef breeds are owned and held in such establishments which are maintained by the owner for the improvement of his own herd or for the breeding of stock to sell to other general stock breeders.

It is these breeders specializing in the improvement of stock who import outstanding bulls from abroad. Further, at the annual Stock Show held by the Rural Society of Argentina, a private organization, and of which these specialized breeders are the principal members, only purebred stock may be exhibited. This show is the outstanding event of the year in cattle-breeding circles in Argentina—as well as for horses, sheep and swine—and all the leading cattlemen throughout the country come to the show to purchase new purebred stock bulls or less frequently cows.

The Rural Society of Argentina is a highly specialized organization for the purpose of making purebred stock popular among general breeders and profitable

for the specialists who are protected to a great extent from competition by the stringency of the regulations which, as already pointed out, only permit animals to be registered which can be traced back on both sides for more than 85 years. The record price paid for a Shorthorn bull at the Rural Society Show was 152,000 pesos (approximately \$67,000 Canadian) in 1931. The average price paid for the Grand Champion bulls since 1895 has been 33,608 pesos for Shorthorns and 19,608 pesos for Herefords. It is evident that the Argentine breeder is prepared to pay high prices for the best stock available.

(2) THE PLANTEL

The great majority of the cattle breeders maintain a plantel, which means literally a nursery. The size of the plantel varies according to the number of cattle in the owner's herd. It is a separate unit in which are kept, to cite a particular case, 200 selected but in most cases unregistered cows, and 6 purebred bulls. The cows are the pick of the general herd and may be replaced from time to time through a process of selection. The bulls are always purebred and are purchased from the cabaña owners. The latter, it may be added, have plantels for their own herds. The bulls bred from purebred stock on the male side in the plantel go to the general herd of the owner. The females are kept with their dams for direct improvement of the breeding stock and only in exceptional cases go to the general herd.

(3) GENERAL HERDS

There are comparatively few cattle breeders in Argentina who do not make provision on their own estancia with a view to improving their herd. Smaller breeders, however, frequently look to a large stock-raiser who maintains a plantel in his neighbourhood.

PEDIGREED STOCK IN ARGENTINA

The distribution of pedigreed cattle as between the principal breeds is indicated in a return published by the Rural Society of Argentina showing the aggregate number of registrations made to September 30, 1934. The subjoined table gives these figures, together with the number of purebred animals actually in Argentina according to the official census of 1930. The classification "mixed" indicates cattle of the particular breed from a purebred bull but an unregistered dam.

*Classification of Cattle in Argentina by Breeds*

	Registered Stock		Census of 1930	
	Total 1878-1934		Registered	Mixed
Beef Breeds:	Male	Female		
Shorthorn .. . . .	179,105	178,592	126,980	17,982,485
Hereford .. . . .	33,988	36,003	22,115	2,763,949
Aberdeen-Angus .. . . .	27,116	27,173	20,367	1,235,822
Polled Shorthorn .. . . .	190	234	.....	.....
Lincoln Shorthorn .. . . .	292	302	.....	.....
Sussex .. . . .	85	120	.....	4,988
Devon .. . . .	69	86	.....	2,311
West Highland .. . . .	55	73	34	221
Dairy Breeds:				
Holstein .. . . .	3,088	3,749	6,759	576,012
Jersey .. . . .	355	445	119	4,659
Ayrshire .. . . .	30	66	.....	.....
Red Polled .. . . .	909	1,131	260	11,861
Normandy .. . . .	895	1,051	908	172,198
Flemish .. . . .	.....	.....	185	4,136
All others .. . . .	1,908	2,571	1,315	9,629,547
Totals, numbers. . . .	247,190	250,545	177,939	32,211,855

### DAIRY HERDS

Dairying in Argentina is of relatively minor importance as compared with the breeding of cattle for the meat trade. However, in 1930 there were 3,738,508 cows of over two years producing milk for dairy products. The dairy herds must be divided into two classes. The most important branch is really a subsidiary of the beef industry, 56.3 per cent of all the milk cows being of the Shorthorn breed, of which a few are the dual-purpose type. Red Polled Angus are also becoming popular.

The dairy breeds, of which the Holsteins are the most popular, are held for the most part by large individual owners catering to the fresh milk trade. There are two dairy farms outside Buenos Aires which have 2,000 and 1,500 Holstein cows respectively. Records show that there were in 1930 approximately 262,000 Holstein cows of over two years in Argentina. This figure represents only 7 per cent of all the milk cows in the country.

It may be taken that practically all the cattle of the dairy breeds are descended directly from purebred stock, although only a small percentage is actually registered as such. They are seldom, if ever, crossed with beef breeds. For purposes of improvement of stock the breeders of dairy cattle organize and classify their herds in exactly the same manner as the breeders of beef cattle. Since all the dairy herds are large, selected cows are segregated from the rest of the herd and bred with the best imported bulls, the male progeny being used for the general herd.

### IMPORTS OF BREEDING STOCK

Argentine breeders have been importing choice breeding bulls and, much less frequently, cows from the United Kingdom and to a lesser extent from European countries and the United States since probably before 1850. Import statistics do not classify purebred stock separately, but it may be assumed that practically all stock purchased from the recognized breeding countries have been purebred. Since 1896 the United Kingdom has furnished Argentina with a total of 17,448 head, mostly bulls of the beef breeds, France 624, Holland 410, and the United States 223. The height of the movement from the United Kingdom was from 1896 to 1900, from 1904 to 1908, 1912-13, and in 1920.

It is interesting to note that 35 head were imported from New Zealand in the years 1924 and 1925. These were presumably Holsteins, and only this year a milking record for Argentina has been officially announced, made by a Holstein cow, "Ollie Sylvia Posch," which at 2 years and 204 days old gave 19,471 pounds of milk and 640.37 pounds of butterfat in 365 days. This cow was bred by one of the large local dairies, "Santa Brigida," from stock originally imported from New Zealand. A Canadian strain appears in her pedigree.

### PROSPECTS OF BUSINESS

The degree to which specialization has been carried in Argentina in breeding cattle with a view to improvement of stock, and the fact that the best purebred stock available abroad has been brought here regularly over a long period of years, makes it evident that there is a market here for only outstanding individual animals. Breeders are not interested in good average or even above average stock because they feel that they can breed just as good animals here. Further, the preferred position of the specialist in Argentina breeding only purebred stock, through his connection with and on account of the facilities afforded him for publicity by the Rural Society, combined with the willingness of general breeders to pay high prices for the very best animals, places a substantial premium on purebred stock bred from individual animals of outstanding merit.

The fact alone that a high price was paid for a stock bull reflects itself in high prices for the progeny to a much greater degree in Argentina than in most countries. The official records show the importation of one bull or female from Canada, and that occurred in 1930. There is a profitable market in Argentina for both beef and dairy breeds, but as indicated only for individual bulls and, to a lesser extent, females of outstanding merit in themselves or in their breeding. Conformity to type as evidenced by a record at exhibitions abroad, and in addition an outstanding milking record for the dam or the strain, are the principal selling points for Argentina.

#### SELLING METHODS

The usual practice followed for purebred stock of the beef breeds from England is to consign small lots of bulls to a firm in Buenos Aires specializing in the business for disposal by auction. In view of the large number of breeders interested in the beef types, competition is keen for the best stock. This system, however, would scarcely be practicable for the dairy breeds since there are comparatively few breeders here. Therefore sales of individual animals or small groups are made through the medium of photographs and copies of pedigrees, usually via air mail. It could only be recommended that Canadian exporters attempt business on the latter basis.

### ECONOMIC CONDITIONS IN MEXICO

S. G. MACDONALD, ACTING TRADE COMMISSIONER

#### IV. Government Works and Social Legislation

(100 centavos equal 1 peso. The average exchange rate during the past two years has been 3.60 pesos equal U.S.\$1)

Mexico City, July 30, 1936.—The large income which the Government has obtained during the years 1934 and 1935 has enabled it to carry out much of the program of the Six Year Plan under which the President was carried into office (see *Commercial Intelligence Journal* No. 1575: April 7, 1934, page 542). The main features of this plan are increased public works, and social and agrarian, and labour legislation. During the year 1935 great extensions of public works schemes were projected and are being carried out. Some of the more important of the Government plans are the purchase of aeroplanes for the War and Marine departments, a number of which are being bought in Canada; work on the naval dockyards and naval stations; the construction of infantry and cavalry barracks; the creation of a number of agricultural experimental stations; the institution of regional agricultural fairs; road-building, drainage reclamation and port improvement works; an extensive school building program, together with the erection of agricultural training colleges; and the construction of ore smelters.

#### WAGES AND LABOUR CONDITIONS

Official action was initiated in 1933 to improve the standard of living of the working classes. This work continued during 1934 and 1935. In the past two and one-half years a general organization of labour into trade unions has taken place and the Government is attempting to unify these into one group. The Government has assisted in raising wages steadily since the beginning of 1934; in the Federal District the minimum wage is 2 pesos daily and for agricultural workers 1.30 pesos—in both cases an increase of more than 100 per cent since 1933. In 1935 a law was passed providing for seven days' pay in all branches for a six days' week, making for a wage increase of about 16 per cent throughout

the country. Unemployment as it is known in Canada is practically non-existent, and the terms of the law governing strikes provide for payment of wages during periods of inactivity on that account. Capital, except in the cases of some large and wealthy organizations, has naturally been hard hit by the resultant increases in operating costs, and by a number of social insurance schemes which it is intended to put into effect in the current year.

### EDUCATION

One of the primary aims of the Government is to decrease illiteracy and to develop the so-called "socialistic" education. Additional to the increasing federal, state and municipal allocation of funds for educational purposes, all even moderately large employers of labour are compelled to provide primary schools for the children of workmen. According to the Ministry of Education, 4,671,159 pupils were attending 56,640 schools at the end of 1935; the purely federal teaching staff as of that date numbered about 36,000. Poor children are provided with text books free of charge; the cost to others was but about 7 centavos, and special efforts are being made to extend complete free educational facilities into rural areas where it is stated some 12,000 schools exist. Secondary and advanced education has also received attention in the general program; the so-called autonomous University of Mexico in the capital city, which was reorganized by the Government, is stated to have had a registration of some 10,000 at the opening of the 1936 term. This university conducts a summer school of some weeks' duration; in the present year several thousand students from Mexico, the United States, and other countries are reported to be in attendance.

### AGRARIANISM

The autonomous Agrarian Department created in 1934 has greatly accelerated the operation of the scheme of land distribution among the peon and lower classes generally. At the end of 1935 it is estimated that more than 23 million acres were held by agrarian communities and, as the distribution has continued at a rapid rate during 1936, no doubt this total is exceeded by several million acres. While the Government has proceeded actively with distribution during the past eighteen months and the demand for land continues unabated, it is evident in many communal holdings that cultivation is undertaken of only the simpler crops which make for ordinary subsistence of the holders, who are tending more and more to drift back to paid occupations. As yet there are no plain indications that the return to the primitive system of land tenure has benefited the individual peasant, while production has admittedly decreased since the large ranches and farms began to be broken up and those who still retain large holdings have suffered severely from labour shortage.

### EXCHANGE CONTROL IN ECUADOR

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, August 6, 1936.—The Ecuadorean Government issued a decree under date July 31, 1936, instituting exchange control in Ecuador as from that date. By the terms of the decree only the Banco Central del Ecuador can purchase and sell foreign exchange. The official rate of exchange has been fixed at sucres 10.50 per United States dollar, or its equivalent in other exchanges. All banks and commercial houses operating in Ecuador are prohibited from contracting operations in foreign currencies. A rigid system of import and export licensing has been instituted, whereby a permit must be obtained for all importations and exportations from the Banco Central del Ecuador, which alone can grant the necessary funds for payments to be effected, exporters being compelled to turn over to this bank all proceeds of sale.

Drastic penalties have been provided for infringements, these ranging from fines double the amount of the exchange involved to terms of imprisonment of from 30 to 180 days. Banks and commercial houses which have funds abroad, however they may have arisen, are to transfer the bills as of the date of the decree to the Banco Central del Ecuador, which is authorized to pay them at the actual rate fixed for the sale, that is sucres 10.50 per dollar United States currency, or its equivalent in other exchanges.

The customs houses are forbidden to dispatch any bill without a previous certificate from the Banco Central del Ecuador of having granted the corresponding authorization for the value indicated, and goods which enter into the customs houses of the republic without having previously obtained permission from the Banco Central del Ecuador for the importation, will be confiscated. Banks which infringe in any way the regulations of this law are to be immediately placed in liquidation and taken over by the superintendent of banks. Mining companies operating under special contracts and laws are not understood as being covered by the above measure.

Strong exception has been taken to the foregoing by the business community of that country, but at the moment the decree is in force although it is expected that modifications may be made.

Details of the above-mentioned decree are available at the Department of Trade and Commerce, Ottawa.

## ECONOMIC CONDITIONS IN CENTRAL CHINA

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

(Except where otherwise stated, values throughout this report are given in Chinese—the Yuan—dollars, the value of which at Shanghai is roughly Can.\$0.30)

Shanghai, July 21, 1936.—Business conditions continued in a more or less uncertain state during the past quarter in Central China. Although further improvement was noticeable in several directions from a purely economic standpoint, unfortunately a serious increase in the smuggling of goods into North China, with its inevitable effect on customs returns (which figure as the largest single item in the Chinese National Government's sources of revenue), plus the recent threatened outbreak of civil war between the provinces of Kwangsi and Kwangtung with the Central Government, created a general lack of confidence in business circles, particularly with regard to future plans involving operations on a large scale.

On the other hand, at time of writing, while the situation is still somewhat obscure, the general opinion seems to be that the threatened revolt in the South, which has been causing such widespread alarm, is being satisfactorily settled by the Nanking authorities. It is probably safe to venture the opinion that this abortive rebellion is the result of economic rather than political causes. This is especially true of the Kwangsi interests whose main revenue was previously from opium, which has been seriously affected by the efforts of the Nanking Government to reduce this traffic.

Although it is still too early to judge the final outcome, there are grounds for thinking that the Central Government at Nanking has, by apparently overcoming this revolt, extended its influence in the southwest and that this incident will probably turn out to be a useful step in the direction of unifying the political control of China under the Nanking authorities.

Meanwhile, among the encouraging signs which have been in evidence during the past quarter is the fact that the Chinese dollar has fully maintained its position at the value established last November, in spite of the admittedly serious political outlook prevailing recently. Wholesale prices have been gradu-

ally rising, the value of the exports has improved, and the easier credit system which developed at Shanghai earlier in the year has continued to assist in reviving general commercial activity throughout this area.

### SMUGGLING

Although smuggling is known to have been carried on for some time past in the south of China, it is in the north where this activity has reached such serious proportions this year. The increase of smuggling in North China has continued on an even more menacing scale during the past three months and has aroused the attention of several countries having important trade relations with China. The bulk of the smuggled goods consist of Japanese products. While the trade of Tientsin in North China, where smuggling is most rampant, is more directly affected than that of Shanghai, there has now developed a considerable amount of smuggling of goods into the Central China market inland by rail from Tientsin. Importers advise that this has indirectly curtailed to some extent the distribution of various products into the interior from Shanghai, and evidence has been growing lately that smuggling activities have been spreading to an increasing extent throughout the country.

The chief commodities involved in smuggling activities so far include artificial silk, woollen and cotton piece-goods, cigarette paper, sugar, gasolene, kerosene oil, dyes, and liquors.

In addition to interfering with the operations of legitimate business firms, it is estimated by one authority that the loss of customs revenue for the month of April reached approximately \$8,000,000, and if carried on at this rate the customs would be deprived of nearly one-third of the estimated total annual revenue.

### FINANCE

During the quarter the Chinese Monetary Mission to Washington conferred with officials of the United States Treasury Department in regard to establishing closer co-operation between the two Governments in connection with monetary problems.

Following the return of this mission to Shanghai a few days ago, an official statement was issued announcing that, resulting from this conference, China had agreed to enlarge the use of silver and to continue maintaining an independent currency system not linked to any foreign monetary unit. It was also stated that the United States in return had agreed to purchase substantial quantities of silver from China, which will increase this country's foreign exchange reserve in the United States, and it is calculated that these joint steps should help toward the stabilization in the value of silver to the benefit of both countries.

The budget estimates for the fiscal year ending June 30, 1937, were formally approved by the Legislative Yuan on the last day of June. Below is given a comparative statement of the budgets for the fiscal years ending June 30, 1935, 1936, and 1937 respectively:—

	Fiscal Year ending June 30		
	1935	1936	1937
Expenditure . . . . .	853,000,000	893,000,000	926,000,000
Revenue . . . . .	727,000,000	723,000,000	705,000,000
Deficit . . . . .	126,000,000	170,000,000	221,000,000

As the last official statement covering cash receipts and payments was for the fiscal year ended June, 1934, there has since been no means of judging how closely the estimates approached the actual requirements, so that the above table can only be taken as revealing the approximate financial position.

It will be noted that, while the estimate of expenditure is considerably larger than in the two previous years, the estimated revenue is smaller, so that the anticipated deficit is consequently greater. As in former years, the deficit is to be provided for by domestic borrowing.

Military expenditure accounts for nearly one-third of the total in this year's budget.

An interesting feature in China's national financing is the effort being made at the present time by the Government to devise some form of income tax. China has not previously had a tax of this kind.

An important development in the Shanghai financial market in June was the joint underwriting by British and Chinese financial interests of a £1,100,000 loan required to complete the unfinished section of the Shanghai-Hangchow-Ningpo Railway. These bonds, issued at 94, bear interest at 6 per cent. The principal and interest are a direct obligation of the Chinese National Government, secured first on the revenues of the railway itself, and second on any other funds available to the Ministry of Railways. Considering the prevailing unsettled political situation, the underwriting of this loan is regarded as an encouraging sign in Shanghai financial circles.

A \$5,000,000 debenture issue of the Shanghai Municipal Council of the International Settlement was put on the local market in April. These bonds, issued at par and bearing  $5\frac{1}{2}$  per cent interest, were the first of the kind to be offered since the financial stringency at Shanghai put an end to all normal methods of financing toward the close of 1934. This issue was fully subscribed almost immediately, thus indicating further evidence of improvement in the monetary situation in this centre.

#### RAILWAY DEVELOPMENTS

In addition to the financing arrangements made to complete the Shanghai-Hangchow-Ningpo Railway as reported above, further evidence of the Chinese Government's determination to develop the railways of this country was provided during the quarter by the announcement that plans were being developed for the construction of a railway in Szechwan Province between Chungking and Chengtu, a distance of 370 miles, and it is hoped that construction may be commenced in the near future.

The new Soochow-Kashing Railway in Kiangsu Province, near Shanghai, was opened for traffic on July 15.

Work on the Nanchang-Pinghsiang section of the Chekiang-Kwangsi Railway line, started in January, is proceeding and is expected to be completed by June of next year. The completion of this section will furnish the last link of a railway network joining Shanghai directly with the province of Hunan. It will also join the Canton-Hankow Railway, thus providing through rail facilities between Shanghai and Canton, in southern China, and also, of course, with Hankow on the middle reaches of the Yangtsze River.

The last rail in the Canton-Hankow Railway (the original plans for which were projected as early as 1898) was laid in May of this year, and, according to recent reports, through traffic is expected to be inaugurated by October, when new rolling stock from the United Kingdom is scheduled to arrive. The completion of this line, which consists of 684 miles of track, marks an important step in the railway history of China, since as a trunk line connecting the Yangtsze Valley with the southern section of the country it offers fruitful opportunities for economic development in the provinces of Kwangtung, Hunan, and Hupeh.

Some 120,000 creosoted Douglas fir sleepers were supplied from British Columbia for use on one section of this line, representing the first order to be obtained for Canadian treated ties for Chinese railways.

#### FOREIGN TRADE

The foreign trade of China for the first five months of this year, amounting to \$649,557,000, represents a falling off of 3.3 per cent from the corresponding period of 1935. This is due to a 17.3 per cent drop in the volume of imports,

which amounted to \$375,252,000. It will be appreciated, however, from previous mention of smuggling in this report that the import statistics do not reflect the true volume of goods actually imported.

The remarkable growth of imports from Germany has been maintained, and for the first five months of 1936 that country had ousted Japan and was second only to the United States in the import trade. Among the reasons advanced for the increased sales of German products to China are the exchange compensation arrangement operating in Germany and the long credit terms being granted on exports to China.

Although imports dropped, exports rose from \$218,140,000 in the first five months of 1935 to \$274,305,000 in the corresponding period this year, representing an increase of 33 per cent. The increase in exports is due largely to the depreciation of currency which took place in November, 1935, but certain other factors, such as heavier sales of China wood oil in the earlier part of this year, in addition to a good demand for raw silk, hides and skins, were also responsible.

FOREIGN TRADE OF SHANGHAI

Whereas in the first part of 1935 Shanghai was feeling the effects of the general depression more acutely than most other commercial centres in China, statistical data available suggests that so far this year Shanghai is recovering more rapidly than the country as a whole. For the period January 1 to May 31 this year, Shanghai was credited with 61·77 per cent of the import trade of China as against 56·76 per cent for the corresponding period of 1935; in the export trade the percentages were 51·54 and 48·35 respectively.

Below is given a comparative statement showing the actual value of imports and exports from Shanghai for the first five months of 1935 and 1936 respectively:—

	Jan.-May, 1935	Jan.-May, 1936
	Thousands of Chinese Dollars	
Imports . . . . .	259,107,578	231,613,536
Exports . . . . .	105,442,648	141,050,429
Total . . . . .	364,550,226	372,663,965

Although smuggling into Shanghai is relatively small in comparison with North China, at the same time many commodities which normally would be brought in at this port and thus be shown in the customs import returns, are now arriving by illegitimate channels from the north and, to a lesser extent, from other sections of the country.

MISCELLANEOUS DEVELOPMENT

A report from this office on the wood oil industry in Central China was published in *Commercial Intelligence Journal* No. 1697 (August 8). Since then the Ministry of Industry of the Nanking Government has announced plans for the establishment of a refinery at Shanghai in co-operation with the wood oil merchants with the object of improving the quality of wood oil exported from this country. The proposal calls for a capital of \$2,000,000, of which the Ministry of Industry is to subscribe \$500,000, the balance to be subscribed by mercantile interests connected with the wood oil trade in the leading producing areas.

Recent reports indicate that the cocoon crop in China this season has been unusually heavy, and the prospects of a substantial increase in the exports of raw silk appear to be reasonably promising, with prices considerably higher than those prevailing last season.

## WATER LEVELS

According to recent reports, the water level on the upper reaches of the Yangtsze River in the interior of Central China is at present at the lowest point recorded for many years. About six weeks ago the continual rise of the Yangtsze River was engaging the serious attention of the Hankow authorities, but since then drought conditions have prevailed in the interior districts feeding the Yangtsze, and while it is still too early to say that all danger is passed, there seems to be grounds for hoping that Central China will escape a repetition this year of the disastrous floods which occurred in 1935. On the other hand, there are indications that in North China the Yellow River has again risen to dangerous levels.

## WATER CONSERVANCY

A detailed program for water conservancy during the fiscal year ending June 30, 1937, has been submitted by the National Economic Council to the Central Government at Nanking for approval. The total expenditure proposed is \$7,000,000, an increase of \$1,000,000 over last year. The work involved includes the elevation of dykes along the Yangtsze and the Yellow rivers and the Grand Canal. Special attention is also to be paid to improvement in the system of farm irrigation in several provinces of Central and North China.

## TRANSPARENT PAPER INDUSTRY IN JAPAN

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

Tokyo, July 16, 1936.—Transparent paper has now been manufactured in Japan for about ten years, and there are thirteen manufacturers engaged in this business. Production capacity is estimated at 20,000 reams monthly, and in 1935, 117,031 reams valued at 1,862,352 yen were exported. Exports of transparent paper for the first five months of 1936 amounted to 64,184 reams valued at 1,145,167 yen as against 40,770 reams valued at 615,959 yen for the similar period of last year, showing an increase of 57.4 per cent in quantity and 85.3 per cent in value. The principal buyers of Japanese transparent paper are Oriental countries, although Europe and the United States purchase some of the highest grade paper.

The first importation of transparent paper into Japan was in 1923, when overseas travellers brought back samples from foreign countries. Imports increased in some of the succeeding years, but as the domestic production increased they began to fall off. In 1931, the peak year, 121,957 pounds were imported, but there was no importation during the years 1934 and 1935, or at least in only negligible quantities.

Although the transparent paper industry has made great progress in recent years, the returns from it, from a purely commercial point of view, are not favourable as a result of a drop in market prices, over-production, and lack of co-operation among the producers. Some companies have been forced to reduce their dividends during the last year, and some factories have been closed. Attempts have been made to limit production and maintain market prices, but so far these have been unsuccessful owing to lack of cohesion among the manufacturers.

As transparent paper is as light and as durable as celluloid, but not combustible, it has recently been adopted as an important material for toy manufacturing. It is also being used in the manufacture of hats, as a waterproofing material, as a substitute for staple fibre, and as a substitute for glass.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### Trade Agreement between Canada and Uruguay

A trade agreement between Canada and Uruguay was signed on August 12, providing for exchange of most-favoured-nation treatment between the two countries in respect of customs duties and related charges, customs formalities, allocation of exchange for commercial transaction and quotas. Preferences which Canada accords to other parts of the Empire are excluded from the operation of the agreement, as are also any tariff advantages which Uruguay may grant to Argentina, Bolivia, Brazil, or Paraguay. At the time of signing the agreement Notes were exchanged providing trading facilities pending the coming into force of the formal trade agreement. In pursuance of these Notes, Canada accords the intermediate tariff to Uruguayan goods complying with usual direct shipment conditions.

The Uruguayan tariff comprises normally a single column of duties, but with provision for an additional 50 per cent in the case of countries which do not offer reciprocity or do not accord most-favoured-nation treatment to Uruguayan goods. The Uruguayan Government engages to accord Canada her normal tariff without the 50 per cent addition in duty. The exchange of Notes provides for reciprocal granting of facilities in matters pertaining to exchange and quotas. Empire preferences in Canada and Uruguayan concessions to adjacent states are excluded.

### British Malaya Empire Content for Motor Vehicles

Mr. B. C. Butler, Acting Trade Commissioner at Singapore, reports under date July 23 that the following procedure has been adopted, with immediate effect, with respect to the importation of Canadian-made motor vehicles into British Malaya:—

Motor vehicles shipped to Malaya must be accompanied by a new certificate of origin form, detailing the cost figures in such a way as to show clearly the British Empire content. These certificates are to be sent direct to the Registrar-General of Statistics, Singapore, who, if satisfied that the Empire content exceeds the necessary 50 per cent minimum, will issue for each car a certificate to the effect that the car specified is of such and such per cent Empire manufacture and therefore exempt from the 20 per cent tax upon first registration. The certificate issued by the Registrar-General of Statistics will be sent to the importer, so that to whatever part of Malaya a car is ultimately shipped, the certificate will accompany it as proof to the Registrars of Vehicles that the car is of Empire origin.

Fuller particulars and copies of the certificate of origin form are on file with the Department of Trade and Commerce at Ottawa and may be obtained upon application.

### Import Licences on Cardboard in Belgium

Mr. Yves Lamontagne, Canadian Trade Commissioner at Brussels, reports that according to a royal decree dated July 31, published in the *Moniteur Belge* of August 7 and effective August 8, an import licence, issued by the Ministry of Economic Affairs, is required for the importation into Belgium of ordinary cardboard in rolls or sheets weighing 300 grams or more per square metre (tariff item No. 724).

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 17

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending August 17, 1936, with the official bank rate. Quotations for the week ending Aug. 10, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 10	Nominal Quotations in Montreal Week ending Aug. 17	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1882	\$ .1884	3½
Belgium . . . . .	Belga	.1001	.1685	.1685	2
Bulgaria . . . . .	Lev	.0072	.0129	.0130	6
Czechoslovakia . . . . .	Krone	.0296	.0414	.0413	3
Denmark . . . . .	Krone	.2680	.2243	.2243	3½
Finland . . . . .	Markka	.0252	.0221	.0221	4
France . . . . .	Franc	.0392	.0658	.0658	3
Germany . . . . .	Reichsmark	.2382	.4022	.4023	4
Great Britain . . . . .	Pound	4.8666	5.0250	5.0262	2
Greece . . . . .	Drachma	.0130	.0094	.0094	4
Holland . . . . .	Guilder	.4020	.6792	.6790	3
*Hungary . . . . .	Pengo	.1749	.2950	.2955	4
Italy . . . . .	Lira	.0526	.0786	.0786	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0229	.0230	5
Norway . . . . .	Krone	.2680	.2524	.2524	3½
Poland . . . . .	Zloty	.1122	.1882	.1882	5
Portugal . . . . .	Escudo	.0442	.0457	.0455	4½
Roumania . . . . .	Leu	.0060	.0074	.0073	4½
Spain . . . . .	Peseta	.1930	.1365	.1365	Nom. 5
Sweden . . . . .	Krona	.2680	.2590	.2590	2½
Switzerland . . . . .	Franc	.1930	.3259	.3259	2½
United States . . . . .	Dollar	1.0000	1.0000	1.0000	1½
Mexico . . . . .	Peso	.4985	.2775	.2775	4-5
Cuba . . . . .	Peso	1.0000	.9990	.9990	—
Guadeloupe . . . . .	Franc	.0392	.0658	.0658	—
Jamaica . . . . .	Pound	4.8666	5.0350	5.0362	—
Martinique . . . . .	Franc	.0392	.0658	.0658	—
Other British West Indies	Dollar	1.0138	1.0470	1.0470	—
Argentina . . . . .	Peso (Paper)	.4245	.3349	.3349	—
	Unofficial		.2770	.2770	—
Brazil . . . . .	Milreis (Paper)	.1196	.0849	.0848	—
	Unofficial		.0581	.0580	—
British Guiana . . . . .	Dollar	1.0138	1.0470	1.0470	—
Chile . . . . .	Peso	.1217	.0518	.0517	4½
	Unofficial		.0418	.0417	—
Colombia . . . . .	Peso	.9733	.5690	.5690	4
Peru . . . . .	Sol	.2800	.2500	.2525	—
Venezuela . . . . .	Bolivar	.1930	.2400	.2450	—
Uruguay . . . . .	Peso	1.0342	.7975	.7969	—
South Africa . . . . .	Pound	4.8666	5.0187	5.0200	—
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1500	5.1500	—
China (Shanghai) . . . . .	Dollar	.....	.3010	.3005	—
Hongkong . . . . .	Dollar	.....	.3117	.3115	—
India . . . . .	Rupee	.3650	.3793	.3795	3
Japan . . . . .	Yen	.4985	.2939	.2941	3.29
Java . . . . .	Guilder	.4020	.6833	.6825	4
Siam . . . . .	Baht (Tical)	.4424	.4600	.4607	—
Straits Settlements . . . . .	Dollar	.5678	.5892	.5892	—
Australia . . . . .	Pound	4.8666	4.0200	4.0210	—
New Zealand . . . . .	Pound	4.8666	4.0525	4.0530	—

\* Unofficial: .1979.

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Foreign exchange movements were again of minor proportions for the week ended August 15, but further gold shipments revealed the unstable position of several leading exchanges. Small amounts moved from France to the United States at irregular intervals, and slightly over one million dollars in gold was shipped from London to New York. Montreal quotations on New York funds remained at par throughout the week. Sterling rates varied only fractionally from \$5.0275, while the French franc held close to 6.584 cents.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Kitchener, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Codfish.....	575	Havana, Cuba.....	Purchase.
Salmon Paste.....	576	Bristol, England.....	Agency.
Confectionery and Groceries.....	577	Dublin, Irish Free State..	Agency.
Bottled Maraschino Cherries....	578	Johannesburg, South Africa	Agency.
Seed Potatoes.....	579	Havana, Cuba.....	Agency.
<b>Miscellaneous—</b>			
Condensed Buttermilk (for the Feeding of Pigs, Poultry, etc.)	580	Liverpool, England.....	Purchase.
Pilchard Oil (Refined and Bleached, Hardened)	581	Lima, Peru.....	Purchase.
Tobacco (for Cigarette manufacture only in Leaf Form).	582	Harbin, Manchuria.....	Agency.
Rubber Boots (Hip and Knee)...	583	Manchester, England.....	Agency.
Newsprint (in Rolls).....	584	La Paz, Bolivia.....	Agency.
Woodpulp for making Kraft Paper.	585	Dublin, Irish Free State...	Purchase
Birch Plywood for Whisky Cases	586	Glasgow, Scotland.....	Purchase.
Frames for Whisky Cases.....	587	Glasgow, Scotland.....	Purchase.
Furniture and Cabinet Maker's Hardware.	588	Johannesburg, South Africa	Agency.
Wood Screws and Bolts.....	589	Johannesburg, South Africa	Agency.
Broken Glass.....	590	Hongkong.....	Purchase.
Asbestos Yarn.....	591	Odense, Denmark.....	Purchase.
Asbestos Fibre.....	592	Copenhagen, Denmark....	Purchase.
Asbestos Fibre.....	593-595	Copenhagen, Denmark....	Purchase and Agency.
Grill Work, Post Office Fittings, Steel Doors and Stairs for the Trinidad Treasury and General Post Office Building.	596	Port of Spain, Trinidad....	Purchase.

## PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

### From Montreal

*To Liverpool.*—Duchess of Atholl, Aug. 28; Duchess of Bedford, Sept. 4; Duchess of Richmond, Sept. 12; Duchess of York, Sept. 18—all Canadian Pacific; Andania, Aug. 28; Antonia, Sept. 11—both Cunard-White Star Line.

*To London.*—Beaverdale, Aug. 28; Beaverburn, Sept. 4; Beaverhill, Sept. 11; Beaverford, Sept. 18—All Canadian Pacific; Ausonia, Aug. 28; Alaunia, Sept. 4; Ascania, Sept. 11; Auranis, Sept. 18—all Cunard-White Star Line.

*To Manchester.*—Manchester Division, Aug. 27; Manchester Regiment, Sept. 3; Manchester Citizen, Sept. 10; Manchester Port, Sept. 17—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Dakotian, Cunard-Donaldson and Dominion Lines, Sept. 9.

*To Southampton.*—Duchess of Richmond, Aug. 26; Montcalm, Sept. 11—both Canadian Pacific.

*To Cardiff, Bristol and Swansea.*—Boston City, Aug. 31; New York City, Sept. 18—both Bristol City Line.

*To Glasgow.*—Sulairia, Aug. 28; Letitia, Sept. 4; Airthria, Sept. 11; Athenia, Sept. 18—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cainross, Sept. 3; Cairnesk (calls at Dundee), Sept. 24—both Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kyno, Aug. 25; Kelso, Sept. 18—both Ellerman's Wilson Line.

*To Dublin and Belfast.*—Kenbane Head, Sept. 10; Melmore Head, Sept. 17—both Head Line (cargo accepted for Londonderry and Cork).

*To Antwerp and Havre.*—Grey County, Aug. 25; Brant County, Sept. 3; Columbia, Sept. 19—all County Line; Beaverdale, Aug. 28; Beaverburn, Sept. 4; Beaverford, Sept. 18—all Canadian Pacific (do not call at Havre).

*To Rotterdam.*—Alaska, Aug. 29; Hada County (calls at Dunkirk), Sept. 8—both County Line.

*To Hamburg.*—Hagen (calls at Bremen), Hamburg-America Line, Sept. 4; Beaverhill, Canadian Pacific, Sept. 11.

*To Copenhagen, Gothenburg and Baltic Ports.*—Braheholm, Swedish-America-Mexico Line, Sept. 11.

*To Norwegian Ports.*—Topdalsfjord, Norwegian-America Line, late August.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Olympia, Gardiaz Line, Sept. 16.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Lena, Aug. 25; Capo Olmo, Sept. 22—both Capo Line.

*To Marseilles, Genoa, Barcelona and Spanish Ports.*—A steamer, Canada-Mediterraneo Line, Aug. 25.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Delia (calls at Trinity and Conception Bay ports), Shaw SS. Co. Ltd., Aug. 27; Belle Isle, Newfoundland Canada SS. Co., Aug. 28 and Sept. 11.

*To Cornerbrook, Nfld.*—North Voyageur, Clarke SS. Co., Aug. 25.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Cornwallis, Canadian National, Sept. 3 (calls at Guadeloupe and Martinique if sufficient cargo offered).

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Catheart (does not call at Hamilton or Nassau), Canadian National, Aug. 28.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion SS. Corp., Aug. 30.

*To Brisbane, Sydney, Melbourne and Adelaide.*—City of Wellington, Montreal Australia New Zealand Line, Aug. 29.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Canadian Highlander, Montreal Australia New Zealand Line, Aug. 25.

*To Manila, Hongkong, Shanghai, Yokohama, and Dairen.*—City of Salisbury, Canada Far East Line, Sept. 30.

*To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, and Beira.*—Mattawin, Elder Dempster Lines Ltd., Aug. 25.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Glasgow, Aug. 28; City of Worcester, Sept. 12—both Ellerman & Bucknall SS. Co.

*To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—Kota Pinang, Java-New York Line, Sept. 14.

*To Columbia, Ecuador, Peru and Chile.*—A steamer, Canadian National, monthly.

*To Santos and Buenos Aires.*—Romsdalshorn, International Freighting Corp., Sept. 12; Nordkap (calls at Montevideo but not at Santos), Canada South America Line, Sept. 15.

### From Quebec

*To Southampton.*—Empress of Britain, Aug. 29; Empress of Australia, Sept. 3—both Canadian Pacific.

### From Halifax

*To Liverpool.*—Newfoundland, Sept. 5; Nova Scotia, Sept. 22—both Furness Line.

*To London and Hamburg.*—Waukegan (calls at Hull, Leith and Dundee), American Hampton Roads, Sept. 3.

*To Manchester.*—Manchester Exporter, Sept. 14; Manchester Hero, Oct. 3—both Manchester Line.

*To Copenhagen and Baltic Ports.*—Batory (calls at Gdynia), Gdynia-America Line, Sept. 11.

*To St. John's Nfld., and St. Pierre-Miquelon.*—Fort Townsend, Aug. 24; Fort Amherst, Aug. 31—both Furness-Red Cross Line; Kongshaug, Newfoundland-Canada SS. Ltd., Aug. 24; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Aug. 26; Newfoundland (does not call at St. Pierre), Furness Line, Sept. 5.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, Aug. 27; Lady Drake, Sept. 10—both Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion Line, Sept. 4.

*To Santiago (Cuba) and Kingston (Jamaica).*—Ciss, Pickford & Black Ltd., Aug. 26.

*To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Chomedy, Aug. 24; Cornwallis, Sept. 7—both Canadian National.

*To Kingston (Jamaica) and Belize (British Honduras).*—Cathcart, Canadian National, Aug. 31.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Siversandal, Aug. 29; Silverlarch, Sept. 5; Japanese Prince, Sept. 12; Chinese Prince, Sept. 26—All Silver-Prince Line.

### From Saint John

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, Canadian National, Sept. 2.

*To Kingston and Jamaican Outports.*—Harboe Jensen, Aug. 28; Crawford Ellis, Sept. 4—both United Fruit Line.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—City of Johannesburg, American and Indian Line, Aug. 28.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hiye Maru, Aug. 29; Heian Maru, Sept. 12; Hikawa Maru, Sept. 29—all Nippon Yusen Kaisha; Koshin Maru (does not call at Kobe), Empire Shipping Co., Sept. 12.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Russia (calls Nagasaki), Sept. 5; Empress of Japan (calls Honolulu), Sept. 19; Empress of Asia (calls Nagasaki), Oct. 3; Empress of Canada (calls Honolulu), Oct. 17—all Canadian Pacific; Talthybius, Aug. 30; Tyndareus, Sept. 27—both Blue Funnel Line (call at Miike but not at Manila).

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Kota Agoeng, Aug. 31; Bintang, Sept. 30—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Aorangi, Sept. 9; Niagara, Oct. 7—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Cloud, Oceanic and Oriental Navigation Co., Sept. 15 (calls at Lyttelton and Dunedin if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Hauraki, Canadian-Australasian Line, Sept. 15.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Skagern, Empire Shipping Co., Oct. 10.

*To Sydney, Melbourne and Adelaide.*—Anglo Indian, August; Harmanteh, August-September; a steamer, September—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Lochgoil, Sept. 5; Delftdyk (calls at Glasgow), Sept. 19; Lochkatrine, Oct. 3; Lochmonar, Oct. 17—all Holland-America Line.

*To London, Liverpool and Cardiff.*—A steamer, Reardon Smith Line, August.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., August.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—San Diego, Empire Shipping Co., Aug. 28.

*To Scandinavian Ports.*—Axel Johnson, Aug. 27; Balboa, Sept. 12; Margaret Johnson, Sept. 22—all Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Feltre, Empire Shipping Co., Sept. 12.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., September.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Manoeran, Sept. 5; Salawati, Sept. 8; Silverwillow, Oct. 5—all Silver-Java Pacific Line.

*To Cape Town, Algoa Bay, East London, Durban and Lourenco Marques.*—A steamer, South African Dispatch Line, August.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Brandanger, Sept. 22; Evanger, Oct. 27—both Empire Shipping Co.

*To Puerto Colombia, Kingston and Tampico.*—A steamer, Gulf Pacific Mail Line Ltd., August.

### From New Westminster

*To London and Liverpool.*—Abraham Lincoln (calls at Oslo), Aug. 25; Daldorch (does not call at Liverpool), Aug. 26—both Anglo-Canadian Shipping Co.; Pacific Enterprise (calls at Glasgow and Manchester), Furness Pacific Line Ltd., Aug. 27; Martin Bakke (calls at Glasgow, Belfast and Manchester but not at London), Canada Shipping Co., Aug. 28.

*To Havre, Antwerp, Rotterdam, Dunkirk and Bordeaux.*—San Diego, Empire Shipping Co., Aug. 27.

*To Indian Ports.*—Kota Agoeng, Dingwall Cotts & Co., Aug. 28.

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

**CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT  
OF TRADE AND COMMERCE**

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Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

**MISCELLANEOUS**

Annual Report of the Department of Trade and Commerce. (Price 25 cents.)  
Annual Report of the Board of Grain Commissioners for Canada. (Price 25 cents.)  
Annual Report of the Electricity and Gas Inspection Services. (Price 10 cents.)  
Annual Report of Dominion Grain Research Laboratory. (Price 10 cents.)  
Catalogue of Motion Pictures. (Price 25 cents.)  
List of Licensed Elevators, etc. (Price 50 cents.)

**PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE**

NOTE.—Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. Although subscribers to the Commercial Intelligence Journal are entitled to receive such reports free of charge, in all other cases their distribution is controlled by the King's Printer, who fixes a price therefor as indicated in the following list:—

Commercial Intelligence Journal weekly (in English and French), containing Reports of Trade Commissioners and other Commercial Information. Annual Subscription: In Canada, \$1; single copies, 5 cents. Outside Canada, \$3.50; single copies, 10 cents.

Australian Market for Fish Products (1931).

Canadian Export Timbers.

French-Canadian Homespun Industry.

Greece as a Market (1931).

Invoice Requirements: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.

Map of the World showing Trade Routes. (1930 Edition.)

Markets of Central America (1929).

Points for Exporters: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.

Sweden as a Market for Canadian Products (1928).

Switzerland as a Market (1929).

Trade of the African Sub-Continent (1928).

Trade Possibilities of the Baltic States (1929).

Trading with Colombia and Venezuela (1928).

Jugoslavia as a Market (1930).

**PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS**

The following is a condensed list of publications of the Dominion Bureau of Statistics: Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry mining, construction and manufactures; Vital: births, deaths, marriages, divorces.

Canada, 1936. (Price 25 cents.)

Canada Year Book. (Price \$1.50).

Report of the Dominion Statistician, Annual. (Price 10 cents.)

Trade (External), (Imports and Exports)—Annual Reports: Fiscal Year (price \$3), Calendar Year (price 50 cents); Quarterly Report (price \$2 per annum); Monthly Report (price \$1 per annum.)

Trade (Internal), Prices, cost of living, capital movements, etc. (Price 50c. per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*  
*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

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*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

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### India and Ceylon

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### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

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### New Zealand

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### South Africa

*Cape Town*: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

*Johannesburg*: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

### United Kingdom

*London*: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London*: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London*: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London*: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool*: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

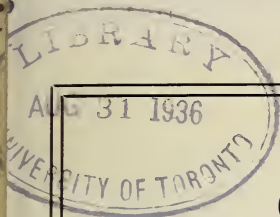
*Bristol*: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow*: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City*: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**



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JAMES G. PARMELEE, DEPUTY MINISTER

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Ottawa, August 29, 1936

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## CLOSING OF THE OFFICE AT BATAVIA, JAVA

The attention of Canadian exporters is drawn to the fact that the branch office of the Commercial Intelligence Service of the Department of Trade and Commerce at Batavia, Java, has been closed, and the business transferred to the main office at Singapore, Straits Settlements, which will now include Netherlands India, as well as British Malaya, within its territory. All communications with respect to Netherlands India should therefore be addressed to the Acting Trade Commissioner, Union Building, Singapore, Straits Settlements.

## TRADE COMMISSIONERS ON TOUR

Mr. Hercule Barré, Commercial Attaché in Paris (whose territory includes the French Colonies in North Africa); Mr. L. M. Cosgrave, Trade Commissioner in Melbourne; and Mr. M. B. Palmer, Trade Commissioner in Mexico City (whose territory includes Guatemala, Honduras, and Salvador), are at present on tour in the interest of Canadian trade with their respective territories.

Their itineraries are as follows:—

### Mr. Barré

Winnipeg.. . . .	Sept. 1 and 2	Vancouver.. . . .	Sept. 8 to 16
Calgary.. . . .	Sept. 4	Ottawa.. . . .	Sept. 21
Edmonton.. . . .	Sept. 5	Montreal.. . . .	Sept. 22 to 30

### Mr. Cosgrave

Toronto.. . . .	Aug. 31 to Sept. 5 *	Edmonton.. . . .	Sept. 11
Winnipeg.. . . .	Sept. 7	New Westminster.. . .	Sept. 14 and 15
Portage la Prairie.. .	Sept. 8	Victoria.. . . .	Oct. 1 to 3
Regina.. . . .	Sept. 9	Vancouver.. . . .	Oct. 4 to Nov. 3
Calgary.. . . .	Sept. 10		

### Mr. Palmer

New Westminster, Vancouver and Victoria.. . . .Aug. 31 to Sept. 12

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Winnipeg, Edmonton, Vancouver, and Victoria, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## SOUTHWEST AFRICA AND ITS TRADE

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Cape Town, July 18, 1936.—The Mandated Territory of Southwest Africa, formerly German Southwest Africa, comprises an area larger than France and twice the size of Italy. The total population is about 267,000, of whom 31,600 are Europeans. The territory is governed by an Administrator and a Legislative Assembly, reserving, however, to the Government of the Union of South Africa matters dealing with native affairs, railways, and harbours and customs, along with some other branches of administration. The fact that the Mandated Territory has the same customs tariff as the Union of South Africa, wheat and flour excepted, is of importance to Canadian exporters. The preferences obtained under the Ottawa Trade Agreement also apply. Windhoek is the seat of administration and the largest town, with a population of 10,000, of whom about 4,000 are white.

### LOCATION OF CAPITAL AND CHIEF PORT

A visit to Windhoek involves a train journey of three days from either Cape Town or Johannesburg, and an equally long time from Cape Town by boat. There are few manufacturers' representatives willing to undertake this long journey when ultimate sales in Windhoek are likely to be so small as not to be sufficient to recompense them for their outlay.

Walvis Bay, the main port of the country, handles approximately 60 per cent of the direct imports, with the balance entering through the port of Luderitz.

Situated twenty-one miles from Walvis Bay is the old German port and settlement of Swakopmund, now closed to shipping, the latter having been directed to the better harbour of Walvis Bay.

In considering Southwest Africa, Windhoek, as the chief city, is the place of most interest. It is located approximately 1,400 miles from either Cape Town or Johannesburg and 252 miles from the port of Walvis Bay. It will be appreciated, therefore, that there are many commodities that probably Canada can supply to Southwest Africa by means of discharge at Walvis Bay, but which would be too high in price if they were transhipped at Cape Town for forwarding either by rail or coastal steamer. It furthermore follows that there may be Canadian exporters who could compete with South African manufacturers in many products if Canadian cargo was discharged at Walvis Bay, and, as noted later on in this report, the October sailing of the Elder Dempster Lines from Montreal will call at Walvis Bay with the steamer *Calumet*.

### PRODUCTION

Southwest Africa is chiefly a pastoral country. Large sections are desert, unfit for any purpose whatsoever. Such areas as would be suitable for mixed farming are, in the majority of cases, situated too far from the markets.

The export of karakul skins (Persian lamb) is one of the chief sources of wealth, and probably the most widespread form of industry. Cattle for slaughter and large quantities of butter are exported to the Union of South Africa and abroad. The packing of canned crayfish for export forms an important industry at the small town of Luderitz.

The mining of diamonds was the most valuable industry from the point of view of export value last year. The alluvial diamond fields in Southwest Africa are so extensive and the recovery of diamonds so easy that large tracks of land have been closed to the public by the Government.

### IMPORTS

The total imports into the territory of Southwest Africa, including Government stores and specie, in 1935 amounted to £1,498,732 as compared with £904,963 in 1932—which was the lowest on record since 1920—and £3,185,135 in 1929, the peak year.

Total merchandise from overseas countries amounted to £388,422 as compared with £291,144 in 1934. In addition to the above amount which was imported direct through the ports of Walvis Bay and Luderitz, the Union of South Africa re-exported overseas goods to Southwest Africa valued at £445,146.

Actually, therefore, total imports from overseas sources, excluding Government stores and specie, amounted to £833,568 as compared with £652,477 in 1934.

Imports of South African produce were valued at £594,510 in 1935 as against £551,146 in 1934. Government stores valued at £58,138 and specie, £12,513, plus £3 of Southern Rhodesian produce, complete the total imports.

#### IMPORTS BY PRINCIPAL COUNTRIES OF ORIGIN

Imports of merchandise by principal countries of origin for the years 1934 and 1935 were:—

	1934	1935		1934	1935
Union of South Africa			Sweden.. . . .	£ 9,038	£ 9,901
South African produce			Czechoslovakia.. . . .	3,666	9,776
(excluding Govern-			Brazil.. . . .	5,441	6,886
ment stores).. . . .	£551,146	£594,510	Norway.. . . .	3,755	5,441
Foreign imports im-			Holland.. . . .	4,564	5,085
ported via South			Roumania.. . . .	400	3,993
Africa.. . . .	361,333	445,146	Yugoslavia.. . . .	125	3,352
Germany.. . . .	132,896	191,733	Canada.. . . .	2,981	3,032
United Kingdom.. . . .	61,128	69,285	Finland.. . . .	2,045	3,009
United States.. . . .	33,558	38,539	Japan.. . . .	1,027	2,214
Belgium.. . . .	8,099	14,537	Italy.. . . .	1,673	1,608

#### PRINCIPAL IMPORTS AND CHIEF SOURCES OF SUPPLY

The following table shows the value of the principal imports for 1935 and principal sources of supply:—

Commodity		Source of Supply
Apparel, other, not footwear.. . . .	£74,911	South Africa, Germany, United Kingdom
Cotton piece-goods.. . . .	73,948	South Africa, United Kingdom, Germany
Motor cars.. . . .	61,781	South Africa, United States
Gasolene.. . . .	50,840	Via South Africa—Dutch East Indies
Flour, wheat.. . . .	49,781	South Africa
Leather footwear.. . . .	38,235	South Africa, Germany
Cigarettes.. . . .	32,018	South Africa
Underclothing.. . . .	28,181	South Africa, Germany
Motor trucks.. . . .	24,859	Via South Africa and United States
Tobacco, other mfrg.. . . .	18,042	South Africa
Tires, rubber.. . . .	17,264	South Africa, Germany
Motor car parts.. . . .	15,901	Via South Africa—United States
Brandy.. . . .	14,781	South Africa
Coal oil.. . . .	14,175	Via South Africa—United States
Wireless and telephone instruments.. . . .	14,107	Via South Africa
Sweets, other, manufactures.. . . .	13,964	South Africa
Medicinal preparations.. . . .	12,870	South Africa, Germany
Motor trucks, chassis and parts.. . . .	12,717	Via South Africa—Germany
Oil, lubricating.. . . .	12,024	United States and via South Africa
Furniture, other.. . . .	11,129	South Africa, Germany
Hosiery.. . . .	9,534	Via South Africa—Germany
Soap, household.. . . .	9,413	South Africa, Germany
Dairy utensils.. . . .	8,894	Germany, Sweden
Cement.. . . .	7,660	Jugoslavia and Germany
Windmills.. . . .	7,633	United States, United Kingdom
Pine and pitch pine.. . . .	7,054	Sweden, Finland
Jams and jellies.. . . .	6,845	South Africa
Leather, in the piece.. . . .	6,775	South Africa
Wire, fencing.. . . .	6,751	Germany, Belgium
Potatoes.. . . .	6,510	South Africa—Germany
Batteries.. . . .	6,476	Germany
Bags, not leather.. . . .	6,473	South Africa, via South Africa—United Kingdom
Footwear, other.. . . .	6,436	South Africa
Cotton thread.. . . .	6,151	Via South Africa—Germany
Blankets and rugs, cotton.. . . .	6,075	South Africa
Agricultural implements, other.. . . .	6,035	Germany

The following are additional imports likely to be of interest to Canadian firms, arranged in order of importance, in groups according to value, and showing the principal sources of supply:—

*Imports valued at from £5,000 to £6,000.*—Apples, South Africa; condensed milk, South Africa, Germany; mechanics' tools, Germany, South Africa; woollen blankets and rugs, South Africa; malt, Czechoslovakia; perfumes and toilet preparations, via South Africa, Germany.

*Imports valued at from £4,000 to £5,000.*—Mining machinery, Germany, South Africa; oats, South Africa; felt hats and caps, via South Africa; chocolate confectionery, South Africa and United Kingdom; hats and caps, other, via South Africa, Germany; steel pipes and piping, United Kingdom and Germany; stationery, South Africa, Germany; boxes, empty and in shooks, Sweden, Norway; paints, ready-mixed, Germany, Norway.

*Imports valued at from £2,000 to £3,000.*—Fish, preserved, South Africa; pumps and accessories, Germany, United States; whisky, United Kingdom; fruit, preserved, South Africa, Germany; wire netting, Germany.

*Imports valued at from £1,000 to £2,000.*—Brushes and brooms, South Africa, Germany; carpets, Germany; stoves, ranges, and parts, Germany, United Kingdom; flooring and ceiling, Sweden; vegetables, other, preserved, Germany, United States; rubber tubes, South Africa, Germany.

*Imports valued at less than £1,000.*—Baking powder, South Africa; bolts, nuts, and rivets, Germany, United Kingdom; rolled oats, South Africa; corsets, via South Africa, Germany; jelly and custard powders, South Africa, Germany; beans and peas, preserved, Germany; nails, Belgium, Germany; steel pipe fittings, Germany, United Kingdom; macaroni, South Africa, Germany; printing paper, via South Africa; extracts and essences, South Africa, United Kingdom; meters, cocks, and taps, Germany, United Kingdom; screws and washers, Germany, Austria; rubber hose, via South Africa; machine tools, via South Africa; varnish, Germany; abrasives, Germany; handles, tool, United States; shovels, United Kingdom, Germany.

#### IMPORTS FROM CANADA

	1934	1935		1934	1935
Total.. . . .	£2,981	£3,032	Motor cars.. . . .	....	£40
Rubber tires.. . . .	1,744	1,496	Motor car parts.. . . .	£57	....
Rubber tubes.. . . .	233	277	Footwear, other.. . . .	31	....
Machinery, n.e.e.. . . .	....	221	Agricultural implements.. . . .	....	31
Condensed milk.. . . .	362	207	Wheat flour.. . . .	....	29
Preserved fish.. . . .	138	211	Vegetables, preserved, other	8	27
Rolled oats.. . . .	42	148	Apparel (not footwear).. . . .	5	20
Canned beans and peas.. . . .	10	86	Jams and jellies.. . . .	....	16
Preserved fruit.. . . .	....	73	Electrical material, other..	185	....
Rubber manufactures, n.e.e..	31	73	Other imports <sup>1</sup> .. . . .	33	16
Hosiery.. . . .	102	61			

<sup>1</sup> Other imports include industrial machinery, mechanics' tools, metal manufactures, cement, toilet soap, rubber hose and paper products.

#### EXPORTS

The total exports of merchandise, not including re-exports, for 1935 amounted to £2,447,067 as compared with a total of £1,083,530 for 1934.

The United Kingdom was the principal purchaser, taking £1,150,951, followed by the Union of South Africa with £756,667; Germany, £326,087; Belgium, £81,356; France, £63,689; Italy, £37,844; United States, £20,440; Holland, £6,950; Denmark, £1,059; French possessions, £890; and Canada, £629.

The principal exports in order of their importance are:—

	1934	1935		1934	1935
Diamonds.. . . .	£ 24,873	£587,857	Copper ore.. . . .	....	£53,386
Karakul skins.. . . .	345,616	464,466	Tin ore.. . . .	....	42,097
Cattle for slaughter.. . . .	135,605	438,416	Meat, fresh.. . . .	£ 7,337	40,418
Butter.. . . .	166,759	309,896	Fish, fresh.. . . .	19,547	15,820
Vanadium ore.. . . .	....	132,943	Other ores.. . . .	....	15,679
Sheep, goats for slaughter	103,836	109,181	Hides, skins (ox and cow)	11,546	12,481
Wool.. . . .	43,686	77,869	Gold.. . . .	4,723	11,455
Fish, preserved.. . . .	62,085	63,190	Cheese.. . . .	5,576	10,960

Canada's purchases of Southwest African produce amounted to £629 and consisted of 9,918 pounds of preserved fish (canned crayfish).

### TRADE PROSPECTS

The extending of Canada's trade to this territory depends entirely on whether or not it is possible to arrange for Walvis Bay to be made a port of call at regular intervals by the Elder Dempster Steamship Lines, Montreal. The latter, in turn, would require a certain definite minimum tonnage in order to make this call justifiable. The Elder Dempster Lines, as already stated, have arranged to make an experimental call at Walvis Bay with the sailing of the October steamer *Calumet* from Montreal.

Motor cars, tires, motor car accessories, building material such as pulp-board, lumber and cement, iron pipe, wire, windmills, electric stoves, box shooks for butter, provisions such as flour and canned goods, and seed potatoes are all products in demand which Canadian firms with a direct shipping service should be able to supply.

### ECONOMIC CONDITIONS IN SOUTH AFRICA

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, July 17, 1936.—The wave of prosperity in the Union of South Africa continued during the first half of the current year. The volume of internal trade has been maintained at a higher level, and exports and imports have increased as compared with the same period in 1935. The building trades and the industries characteristic of the Union were well employed. The expansion of the gold mining industry continued, and is to a large extent responsible for the steady improvement in economic conditions.

### GOVERNMENT FINANCES

The financial position of the Government is strong. In addition to being able to carry out its loan repayment program, it is also able to pay its way comfortably. On July 1, 1936, a loan contracted in 1889 amounting to £11,126,000 was paid off, and in October it is proposed to pay off in cash 36 per cent of a loan contracted in 1916, amounting to £7,500,000.

The strong financial position in which South Africa stands is reflected in the annual report of the Reserve Bank. The bank's holdings on gold account amount to 57 per cent of its total liabilities to the public, and foreign exchange holdings amount to £5,850,000.

### RAILWAYS

The continued prosperity of the Union is reflected in the report of the financial position of the South African Railways ending March 31, 1936, which showed a gross surplus of £3,625,155. Of this amount, £3,500,000 was appropriated for various purposes and the surplus of £125,155 carried forward to the financial year 1936-37. A summary of revenue and expenditure for April, the first month in the new financial year of the railways, shows a surplus of £420,348 as compared with £233,454 in April, 1935, and £68,486 in April, 1934. Railway earnings for the four weeks ended June 20, 1936, aggregated £2,285,380, an increase of £167,984 compared with the corresponding period of 1935.

### AGRICULTURE

#### FRUIT

Exports of deciduous fruits constituted a record. Shipments for the season totalled 4,566,675 cases compared with 3,428,179 cases to the end of May, 1935. Shipments were reported to have arrived in foreign markets generally in good condition and met with fair demand, but prices were lower and were regarded as unsatisfactory.

With regard to citrus fruits, unfavourable weather conditions were mainly responsible for a decline in export shipments for the first five months of the year; these amounted to 2,440 tons as compared with 5,286 tons in the same period in 1935. General prospects are, however, satisfactory and a record crop is expected.

Shipments of dried fruit exceeded those of 1935. Exports for the first five months of the year amounted to 9,927,124 pounds compared with 7,263,746 pounds in the same period of 1935.

The estimate of the coming sugar crop is placed at 420,000 short tons, but unfavourable weather conditions during the next few months may reduce the amount.

#### TOBACCO

The revised estimate of the Virginia tobacco crop was in June reduced to 18,082,000 pounds, a decrease of 1,250,000 pounds as compared with the April estimate. On the other hand, the Turkish crop is expected to yield 1,200,000 pounds, an increase of 20 per cent over the previous estimate. The production in 1935 was 19,771,000 pounds of Virginia and 483,000 pounds of Turkish.

#### CEREALS

In view of the expected reduction in the corn crop, the Government has decided not to declare an export quota percentage for the twelve months ending May 31, 1937. Originally the corn crop was estimated to produce 16,112,400 bags; this has now been reduced to 15,002,300 bags and, as a consequence, local prices are tending to rise. The production for the 1934-35 season was 18,728,000 bags of 200 pounds.

In the crop year 1935-36 South Africa had a wheat surplus for the first time in its history. Owing to the prolonged drought which has prevailed in the Cape Province this season, indications are that the surplus of last season will be entirely exhausted, and that unless the northern part of the Union has a crop at least equal to last year's, there will be a shortage.

#### LIVE STOCK

The live-stock industry is generally in a healthy condition. Certain districts experienced rather severe weather conditions in the early part of the winter, which caused heavy losses, especially in young lambs, but in general live stock, due to good grazing, have maintained their condition and prices have been satisfactory.

#### WOOL

The wool season is practically over and unsold stocks held in South Africa are very light. Japanese buyers re-entered South African markets again, due no doubt to trade difficulties with Australia. It is expected that income from wool sales this year, when final returns are available, will exceed £9,000,000 as compared with £7,360,000 for the 1935 clip.

Mohair has been in good demand overseas, and increased activity is noted in ostrich feathers.

#### MANUFACTURING INDUSTRIES

During the period under review there was increased activity and expansion in industrial enterprise. This was particularly true in regard to engineering woodworking, and building and contracting undertakings.

#### BUILDING

Building activity continues unabated in the principal cities. Johannesburg is the centre of the greatest activity because of the mining development and

consequent influx of people, and the erection of the large buildings necessary to house the Empire Exhibition which opens on September 15. Permits issued in April amounted to £882,270. In other cities, new houses, apartments, office buildings, and industrial expansion generally has been such that the essential labour required has been difficult to obtain.

Labour conditions generally have been settled, but there is a growing tendency to demand higher wages, and in some cases improved working conditions.

### MINES

The output of the gold mines for the first five months of the year totalled 4,603,170 fine ounces, the declared value of which, including premium, was £32,290,366, compared with 4,380,421 fine ounces valued at £31,276,407 for the corresponding period last year. It is believed that by 1937 the increases in capacity of the existing mills on the Rand and the bringing into production of new mines will more than offset the reduction in gold output, due to low grade, and that within a few years total production will reach 15,000,000 fine ounces.

### PRICES AND PRICE INDICES

The retail price index for food, fuel, light, rent, and sundries, taking 1,000 as the basis for 1914, in Cape Town stood at 1,209 for the month of May, and that of Johannesburg was 1,321, as compared with the average of the nine principal towns of the Union of 1,270.

Prevailing retail prices, particularly in the cities of Cape Town and Johannesburg, are the subject of a strong agitation on the part of various women's organizations in the Union to secure a commission of inquiry, with a view to remedying the situation.

### COST OF FOOD PRODUCTS: A COMPARISON

A comparison of the retail prices for a number of important food products between South Africa and other parts of the British Empire, computed by the Bureau of Statistics, shows that prices in South Africa are highest. These are:—

Commodity	Unit	Canada		South Africa		U.K.		New Zealand		Australia	
		s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
Bread.. . . . .	..lb.	0	3.06	0	3.37	0	2.06	0	2.88	0	2.37
Flour.. . . . .	..25 lbs.	3	7.2	5	11.7	3	11.3	4	1.5	3	3.4
Wheat.. . . . .	..100 lbs.	5	9.3	8	10.8	5	11.4	8	3.2	6	0.3
Oatmeal.. . . . .	..lb.	0	2.5	0	3.2	0	2.5	0	2.9	0	2.6
Sugar.. . . . .	..lb.	0	3.06	0	3.32	0	2.25	0	3.25	0	4.0
Beef.. . . . .	..lb.	0	9.0	0	7.2	0	8.4	0	6.9	0	8.5
Mutton.. . . . .	..lb.	0	11.0	0	9.2	0	8.9	0	6.7	0	6.7
Bacon.. . . . .	..lb.	1	2.3	1	6.9	1	2.0	1	1.5	1	2.4
Butter.. . . . .	..lb.	1	1.4	1	5.3	1	1.4	1	0.8	1	5.1
Cheese.. . . . .	..lb.	0	10.2	1	2.3	0	8.5	0	8.3	1	0.3
Milk, fresh.. . . . .	..pint	0	2.54	0	3.06	0	3.0	0	2.25	0	3.39
Potatoes.. . . . .	..lb.	0	0.7	0	1.2	0	1.1	0	1.0	0	1.2

### IMPORTS AND EXPORTS

Goods to the value of £40,902,745 were imported into the Union during the first six months of this year as compared with £35,425,743 in the first six months of 1935, and included practically all descriptions of imports.

Exports in the six months totalled £59,235,247 as against £47,629,316. This increase, however, is largely due to the calculation of the value of gold bullion at the price ruling at the date of export, instead of the statutory price of £4.24773 per fine ounce.

Exports of hides and skins rose from £569,155 in the first six months of 1935 to £825,047 this year; those of corn dropped from £897,423 in the first half of last year to £54,362 in the first half of this year.

## ENGLISH WOODEN HEEL MARKET

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

### I. General

London, August 8, 1936.—As a leading manufacturer of footwear, England has long been an important market for wooden heels. Until recent years, when an import duty of 20 per cent was imposed on wooden heels of foreign origin, only a small heel-manufacturing industry existed, and almost the entire requirements of this country were met by imports from continental countries. Since 1932, however, when the duty became effective, a local heel industry has grown up which is supplying an increasing percentage of the country's requirements.

Local production figures are not available, but complete imports by leading countries for the years 1930-35 are as follows:—

		1930	1931	1932	1933	1934	1935
Denmark.. . . . .	doz. prs.	110,096	185,132	167,943	219,065	208,983	265,431
	£	10,404	15,685	12,757	14,318	12,911	15,821
Germany.. . . . .	doz. prs.	42,289	239,289	241,638	323,727	395,045	347,081
	£	5,268	23,150	21,632	25,947	30,600	26,423
Belgium.. . . . .	doz. prs.	138,535	136,707	84,725	135,389	146,458	214,876
	£	12,297	11,633	7,792	11,325	12,463	16,543
France.. . . . .	doz. prs.	449,583	434,025	225,586	148,628	40,866	36,406
	£	46,495	43,034	22,707	13,614	4,086	3,517
Other foreign countries.. . . .	doz. prs.	22,244	8,507	60,582	43,600	80,084	.....
	£	5,202	1,009	5,592	3,865	6,324	.....
British countries.. . . . .	doz. prs.	180	.....	.....	208	.....	.....
	£	61	.....	.....	25	.....	.....
Total.. . . . .	doz. prs.	769,927	1,003,660	780,474	870,617	871,436	937,085
	£	79,727	94,511	70,480	69,084	66,384	68,097

It will be seen that, despite the reported increased production in England, imports are still very substantial. The market therefore is worthy of some consideration by Canadian manufacturers, especially as wooden heels of Canadian or other Empire origin would not be subject to any import duty.

There are, however, certain conditions which have always made it very difficult for Canadian manufacturers to compete, and these are even more pronounced to-day than formerly. The rapid change in fashions which now takes place even in England makes it imperative for shoe manufacturers to have quick delivery of raw materials. The ever-changing styles have also resulted in relatively small orders being placed at a time, especially in novelty lines. These might easily rule out the possibility of any business for a Canadian manufacturer except in staple lines. Even here, however, the severe English and continental competition would probably require the maintenance of stocks to ensure delivery within a reasonable time.

The subjoined summarizes the general situation:—

(1) High quality essential and an assurance through practical tests that Canadian maple would prove satisfactory for heel construction.

(2) Rapid deliveries to compete with continental manufacturers well established in the market.

(3) Keen prices to gain foothold.

(4) A range of samples and a willingness to make necessary alterations to customer's requirements.

(5) A continuity of supply and a guarantee of service to customers.

[Reference is also made to a report on this subject dated January 9, 1934 (*Commercial Intelligence Journal* No. 1565), quoting prices which are still generally effective.]

## II. Midlands and West of England

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, July 7, 1936.—In the shoe-manufacturing centres of Northampton, Leicester, and Bristol, the demand for wooden heels for ladies' shoes continues to increase. At the present time about 75 per cent of the heels used are of wood as against only 25 per cent built-up leather. Three or four years ago these proportions were almost reversed, but now the leather heels are required chiefly for the autumn styles of shoes.

### MATERIAL

Beech is used almost exclusively in the manufacture of wood heels. It is very important that it be properly seasoned and kiln-dried to prevent shrinking and subsequent cracking. Practically all English manufacturers use beech, but Continental shippers, though quoting on beech, sometimes include a quantity of heels made from other wood. These substitutions can usually be detected, however, as they are not so strong and tend much more readily to split.

It is felt generally that maple does not offer serious competition to beech in the first place because of its cost, and then, unless great care is taken in securing uniform drying, cracking, due to case-hardening, is liable to result.

### STYLES

The styles and shapes of heels used cover a wide range, most of which are modifications of the more or less standard Spanish, Louis or Cuban designs. These variations bear such descriptions as "Spanish Louis," "Semi-Louis," "Louis Cuban," and "Low Cuban." The Spanish heel is generally more popular at the present time, although of course the height and shape of the heel must depend upon the style of last used, and the heel is made for the last rather than for the individual shoe.

From time to time a demand develops for a novelty type of heel, and the manufacturer must be prepared to cater to these requirements at short notice. An example of this is the recent vogue for a square heel. Although most of these innovations are of a temporary nature, the shoe manufacturer looks to his heel supplier to provide him at once with the type of heel for which he finds a demand. Aside from the standard types and so-called "fads," however, many heel manufacturers try to create a style of heel of their own on which they specialize as a popular line, and for which repeat orders can be anticipated over a period of time. In this way they are able to reduce their costs on this particular style, and thus increase their hold upon the market.

### SIZES

The sizes of heels generally range from 34 to 42 (French sizes), and these correspond to the almost complete normal range of ladies' shoes from 3 to 7. The most popular numbers are 38, 39, and 40. Heels are usually offered in sizes differing for each full change in shoe size.

The heights of English heels vary from 1 inch to 3 inch, grading up  $\frac{1}{4}$  inch at a time.

### PRICES

While several years ago Continental prices were below those ruling for English-made heels as much as from 6d. to 9d. per dozen pairs, this is not now

the case. A spread of 4d. to 5d. could now be regarded as a maximum, and on quantity orders of 4,000 dozen English heels have been offered at the same price as, or even lower than, Continental makes.

Prices vary according to the height and style of heel, but it may be said that average-size Louis type heels of English or Continental manufacture would sell for from 1s. 11d. to 2s. 3d. per dozen pairs. Prices for Continental heels are duty paid. For heels over 2 inches in height, for which the demand is relatively small, prices are considerably higher, and range anywhere from 2s. 4d. to 3s. 9d. per dozen, or even more.

#### SOURCES OF SUPPLY

At the present time only a very small proportion of wood heels used in the United Kingdom are imported from abroad. This is due, perhaps more than anything else, to the fact that English manufacturers are now able to meet the demand at a price which compares very favourably with the imported article. This has been brought about as a result of better organization on the part of the manufacturers in this country rather than their being forced to lower prices by cut-throat competition. An additional reason for the preference for English heels is the reluctance on the part of shoe manufacturers in buying from abroad, due to the above-mentioned tendency of foreign firms to substitute other woods for good kiln-dried beech, as well as to the length of time sometimes required for delivery.

It is estimated that English manufacturers secure about 75 per cent of the total trade in this country, the rest of the demand being supplied by French, German, Dutch, Danish, and Czechoslovakian firms.

#### DELIVERY

In considering the advantages enjoyed by English manufacturers, it may be noted that from three to six weeks are usually required for delivery from the Continent. With the constantly changing styles, and the consequent sudden demands on the shoe manufacturer, he is often unable to wait so long. English makers on the other hand, or their distributors, usually carry stocks of the most popular styles available for immediate delivery.

Some of the larger boot and shoe manufacturers place orders in advance of their season's requirements of the standard sizes and styles. A large number of smaller firms, however, order from week to week, so that the English manufacturer, or the agents of foreign firms who carry adequate stocks, are in a position to cater to these requirements.

#### PROSPECTS FOR CANADIAN HEELS

As beech is the wood almost exclusively used, and is favoured by the shoe manufacturers in this country, Canadian maple heels would have to be quoted at prices lower than those now ruling to obtain a share of the market. Canadian heels are free of duty as against 20 per cent levied on foreign importations. In addition to price concessions it would be necessary to satisfy the shoe manufacturer here that maple is as hard as beech, and would be properly dried so that the likelihood of the heels splitting or cracking would be no more than is experienced in the use of beech.

Furthermore, as has already been pointed out, stocks would need to be made available in this country so that immediate delivery could be made against orders. As regards shipments from the factory, Canadian manufacturers are at an even more serious disadvantage than Continental firms, and a delay of from six to eight weeks would, as a rule, need to be allowed for delivery.

## HAY MARKET CONDITIONS IN THE WEST OF ENGLAND AND SOUTH WALES

L. H. AUSMAN, ACTING TRADE COMMISSIONER

Bristol, August 13, 1936.—Due to the extremely unfavourable weather conditions in the West of England and South Wales which have prevailed almost from the beginning of the growing season to the present time, hay dealers in these areas are directing their attention to Canadian sources of supply to meet the anticipated shortage of good English hay. The following notes on the situation in these two areas will be of interest to Canadian growers and shippers who may have a surplus available for export.

### WEST OF ENGLAND

Almost continuous rainfall since early in June has been general throughout the West of England, and has for the most part prevented the harvesting of a satisfactory commercial crop of hay. Early cuttings are of practically no value, and have in many cases been left in the fields to rot. Those farmers, on the other hand, who were forced by the inclemency of the weather to leave their hay uncut are now in a position to harvest a comparatively large crop, although its quality will be very poor, due to the fact that in its over-ripe condition the seed will have dropped off and much of the growth have gone into the stem. Most farmers for this reason will cut their hay in such a way as to leave a longer stubble than is usual. As a feeding material this hay will be deficient in nutrient value, and although many farmers will use it in combination with other feedstuffs for their own stock, it is far from suitable either as a production ration for cattle or for horses subject to heavy work.

### PRICE SITUATION

In view of this situation, those who have managed to secure at least a partial crop of only moderate quality, or who have on hand any supplies from last year, are inclined to hold them for an increase in price which they feel justified in anticipating. It is quite possible that a figure of 10s. per ton in excess of last year's price will be realized by farmers in the West of England. What little prime English meadow hay is available is now being sold in the rick at 45s. per ton. To this must be added about 20s. to cover the cost of cutting from the rick and hauling to its destination. It is likely that this price will be increased as the season advances.

As only one crop of meadow hay is usually taken, an improvement in weather conditions at this stage, while greatly assisting in the harvesting of an abundant crop, will not affect its quality, which is definitely of second grade. The second clover crop, on the other hand, may under favourable conditions prove very satisfactory and mitigate, to some extent at least, the loss already suffered by farmers in this part of the country.

### SOUTH WALES

Although in South Wales slightly more favourable weather conditions have been experienced, they could in no way be described as normal, and the crop in this area is also deficient in quality, though its quantity, as is the case in the West of England, will possibly be above the average. The fact, however, that South Wales normally purchases hay from Southern England and the South Midlands makes that area dependent upon conditions which may affect the hay crops elsewhere within hauling distance.

The greatest demand in South Wales comes, of course, from such consumers as the collieries and the railway companies, but with the rapid development of

mechanization these consumers, as well as the army, are gradually reducing their requirements. In normal seasons the effect of this trend is to curtail very drastically the necessity for imports from abroad. This may be indicated by the fairly substantial carryover from last season, which to some extent relieves the situation caused by the poor condition of this year's crop.

#### PRICE SITUATION

Ideal weather, at the time of writing, is now making it possible for South Wales farmers to cut their hay, and foreshadows a possible satisfactory second crop of clover. Although clover normally commands a price of 5s. to 7s. 6d. higher than meadow hay, the latter is preferred by the colliery companies, and it is thought by some dealers that the price of the two types will this season be about equal.

Canadian hay is being offered at from 67s. to 70s. c.i.f., Bristol Channel ports, and it is possible that before the season is over business will be done at even higher prices. This will, however, depend on the condition of the second crop, which will not be known definitely until mid-September.

Prime English meadow hay, when obtainable, is bringing 70s. delivered, although the price to the farmer in South Wales for this year's crop is at this date only about 40s., to which the dealer must add 10s. for cutting and 12s. for rail charges.

Swedish hay has been quoted at 80s. per 1,000 kilos (2,204 pounds) duty paid.

#### CHIEF DEMAND

The chief demand in South Wales is for fair average quality (f.a.q.) hay, although there may be a small market this season for grade 2 timothy and clover mixture. Canadian exporters having hay of these descriptions available for shipment are invited to submit c.i.f. quotations to the Acting Canadian Trade Commissioner in Bristol.

### GERMAN GRAIN SITUATION

S. V. ALLEN, ASSISTANT TRADE COMMISSIONER

(R.M.1 is approximately equal to Can.\$0.40)

Hamburg, August 7, 1936.—The appearance of official statements regarding the 1936 grain crop in Germany has been awaited this year with more than ordinary interest. To the import trade in particular and export interests in countries which have enjoyed a considerable trade with Germany in past years, preliminary crop estimates and new legislation governing its disposal are of the greatest importance. Reference to various aspects of the present position and possible influences on Canadian wheat trade to this market during the coming year is made below under relevant headings.

#### FIRST GERMAN CROP ESTIMATES

The German Statistical Bureau has issued its first preliminary estimate of this year's German grain crop as at July 1, which, for the total yield of main types of grain, is expected to be some 8 per cent higher than the final estimates for the 1935 crop. On this basis the total yield of bread grains—wheat, rye, and spelt—(exclusive of the Saar Territory) will amount to some 13,430,000 metric tons as compared with a total estimate of 12,270,000 tons for 1935 and an average yield for the six years 1930-35 of 12,540,000 tons. Barley and oat crops are expected to show similarly satisfactory returns.

The following table shows the first estimate of this year's crop of principal grains, together with final figures of last year's harvest and the average yield during the period 1930-35:—

*Preliminary German Crop Estimates, 1936*

	Estimate of July 1, 1936	Final Estimate 1935 <sup>1</sup>	Average Crop 1930-1935 <sup>1</sup>
	Figures in 1,000 Metric Tons		
Winter wheat.....	4,553	4,279	4,104
Summer wheat.....	357	389	534
Spelt.....	115	123	142
Winter rye.....	8,361	7,391	7,668
Summer rye.....	85	87	88
Winter barley.....	1,135	1,002	669
Summer barley.....	2,498	2,385	2,523
Oats.....	5,709	5,386	6,050

<sup>1</sup> Not including the Saar Territory.

Weather conditions throughout Germany have been on the whole favourable since July 1, and harvesting in many areas has now been completed. In those districts from which full reports are available, results are regarded as satisfactory.

### GRAIN YIELDS

The first official estimates of the yields per hectare have been issued concurrently with the crop estimates and indicate that the average increased yields of this year's crops range from 220 to 660 pounds per hectare more than the averages of the preceding six-year period. The outturn of winter wheat, for example, is expected to be 2.38 metric tons per hectare (approximately 35.2 bushels per acre) as compared with last year's estimated average yield of 2.23 tons per hectare (33.1 bushels per acre).

### NEW GERMAN GRAIN LEGISLATION

Regulations have just been issued under the authority of the German Ministry of Agriculture and the various subsidiary organizations covering the operations of all branches of the grain and flour trades in connection with the sale, purchase, delivery, and use of domestic grains from this year's crop. Germany is entering upon its fourth year of thorough grain marketing regulation, and the elaborate form of control established in 1935 is to be continued with certain minor changes including, as in the past, complete supervision by the Government over the disposal of wheat, rye, barley, and oats, with scheduled fixed prices to growers and those to be paid by mills and other consumers. All sales by intermediaries are to be subject to supervision, although the profits and commissions accruing from such transactions have been reduced. Stricter control is to be enforced through close co-operation with the local grain associations through the reporting of sales; certain gaps in last year's regulations which permitted a limited amount of speculation are to be closed; and various practices by which last year's regulations were circumvented will now be prevented. The Government has also encouraged closer co-operation between the grain trade and the milling interests by the provision that the chairmanship of the Central Union of Grain Associations and that of the German Milling Association are to be vested in the same individual.

Some of the features of the new regulations include: a limitation on dealers' profits on sales of wheat and rye for milling purposes to R.M.4 per metric ton; changes in respect to weight grading of barley; restrictions on the use of winter barley for brewing purposes; regulation of the use of barley and oats for industrial purposes; and greater control over transactions in grains for use as feed, as distinct from those for milling purposes. By these measures it is anticipated that greater efficiency in delivery and storage, and economy in the use of domestic wheat and rye, will be achieved.

## GERMAN GRAIN IMPORTS

Further decreases in imports of all kinds of grain were recorded during the first six months of the current year, as compared with the corresponding period of 1935. Comparative statistics for the January-June periods are given below:—

	January-June	
	1935	1936
	Metric Tons	Metric Tons
Wheat.. . . . .	111,201	49,380
Rye.. . . . .	201,105	14,387
Barley.. . . . .	137,395	50,366
Oats.. . . . .	163,736	3,417

The above figures, covering a period in which Germany normally used to import bread and feed grains in large quantities, indicate the extent to which independence from foreign sources of supply has been achieved, and point also to the heavily decreased turnover of the local grain importing community.

## CANADIAN WHEAT IMPORTS

Imports of Canadian wheat into Germany during the first six months of this year amounted to 17,222 metric tons valued at R.M.1,372,000, an encouraging increase over the figure of 8,977 tons valued at R.M.970,000 recorded for the corresponding period of last year. The limited quantities of Canadian wheat which have found their way into this market have undoubtedly been purchased by German mills under arrangements involving the exportation of flour, to which reference has been made in previous reports from this office. (See *Commercial Intelligence Journal* No. 1675, page 394, and No. 1688, page 1086.) At the same time Canada has again assumed first place among wheat-supplying countries, although in view of the decline in total trade, and the difficulties of arranging transactions of the type referred to above, this slight recovery holds little promise for substantially increased wheat exports to Germany in the early future.

## IMPORT MARKET CONDITIONS

On a basis of the crop forecast given above, and in consideration of the existing foreign exchange and import position, it may be estimated that, in so far as wheat and rye for milling purposes are concerned, Germany is now independent of foreign sources of supply and will remain so during the next year. Stocks of wheat and rye from the 1935 crop will be adequate for all requirements until the new crop comes on the market. The average annual consumption of bread grains during the period 1924-34 amounted to some 4,800,000 tons of rye and 4,200,000 tons of wheat, and in addition to these quantities it is believed the outturn of this year's crop will provide a large enough surplus of these grains for feed requirements.

If wheat is to be imported at all, it will undoubtedly have to be purchased through exchange clearing, preference as usual being given to Durum wheats which cannot be supplied from domestic sources. Under such conditions, Canada will only participate in a limited trade to the extent that the proceeds from export sales of flour milled from Canadian wheat provide sufficient foreign exchange for this purpose, but the difficulties of arranging such transactions will exercise a severe restriction on the volume of such business.

Some attention is being paid to increased grain storage facilities in Germany, and the advisability of maintaining larger supplies of grain for use in national emergencies. To date, however, no official action has been taken which might tend to re-establish Germany's position as one of the world's largest wheat importers.

**MARKET FOR ASBESTOS IN SCANDINAVIA**

J. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

Oslo, July 25, 1936.—There is a small but steady market for asbestos products throughout Scandinavia, but the demand for asbestos fibre is relatively unimportant and is confined largely to crude fibre used for insulating purposes. Throughout the whole territory there are only one or two factories manufacturing asbestos packing, and there are none spinning asbestos yarn or weaving asbestos cloth. There follows a summary of market conditions in each country with some special references to asbestos fibre.

**NORWAY**

Norwegian trade statistics do not classify asbestos fibre as a separate commodity. All imports of asbestos are lumped together under the general heading "asbestos and products thereof." Average annual imports during the years 1931 to 1935 were 880 metric tons; the supplying countries were the United Kingdom, United States, and Germany. Averaged over the five-year period, Great Britain supplied approximately half the total imports.

The following table shows imports by countries of asbestos and asbestos products during the years 1934 and 1935, quantities expressed in metric tons and values estimated roughly in Canadian dollars at 25 cents to the krone:—

	1934		1935	
	M. Tons	Can. \$	M. Tons	Can. \$
Total imports.. . . .	771.2	112,100	863.0	113,075
Great Britain.. . . .	422.4	79,700	394.4	74,875
United States.. . . .	116.1	8,100	211.5	11,300
Germany.. . . .	149.9	16,650	116.4	14,425

The above figures give no indication of the classes of asbestos imported, but it is known that imports from Great Britain consist largely of plated packing, woven cloths, asbestos insulating composition, yarn, millboards, asbestos building cement and sheets, electrical insulating sheets and asbestos magnesia, slabs and sections. The largest shipments are made by one well-known English company; the import business is in the hands of two or three companies located in Oslo.

Germany supplies the same types of asbestos as Great Britain with the exception of magnesia, while the United States supplies a white asbestos powder known as Asbestine. This material is acid-resisting and is used in the construction of sulphur towers and acid-resisting brick walls in connection with the cellulose industry.

Finland is not mentioned as a supplier, although from 100 to 200 metric tons of crude asbestos fibre are shipped from that country each year. This is the only asbestos fibre imported into Norway and it is sold at the extremely low price of 6 cents (Canadian) per kilo c.i.f. The fibre is too short and coarse for spinning of yarn. It is used in the melting industry for insulating electric furnaces.

**SWEDEN**

Sweden imports much larger quantities of asbestos than Norway, but otherwise market conditions are very similar. The industries of Sweden which require asbestos call for it in the form of Asbestine, cement, insulating sheets, millboards, packing, cloth, slabs and sections. There is some demand for asbestos fibre, which is used chiefly for insulating purposes. Finland supplies all the low-grade fibre and some fibre of better quality is imported from Soviet Russia.

Swedish trade statistics classify imports under the general headings of manufactured and unmanufactured asbestos, but without specifying the various

articles. Imports of manufactured asbestos during 1934 (the last year for which returns are available) were 1,046·2 metric tons valued at 1,508,473 kroner (\$392,203). (Swedish kroner converted at the rate of 26 cents Canadian.) Great Britain, Germany, and the United States were the principal suppliers.

In the unmanufactured group imports amounted to 1,703·3 metric tons valued at 558,769 kroner (\$145,280). Soviet Russia was the most important supplier, followed by Germany, Great Britain, and the United States. Shipments of unmanufactured asbestos from Soviet Russia have been increasing in recent years.

There is no tariff on asbestos entering Sweden.

#### DENMARK

The Danish market for asbestos is considerably smaller than that of Sweden, and a smaller range of asbestos products is required. There is no cellulose industry in Denmark and therefore no demand for acid-resisting asbestos powders. There is very little demand for crude asbestos fibre since there are no consuming industries in Denmark and insulating difficulties are less acute than in Norway and Sweden. There have been inquiries, however, for long-carded fibres ready for use.

Danish statistics do not describe asbestos imports with much particularity, but in 1934 there were 1,040·4 metric tons of unmanufactured asbestos imported valued at 382,000 kroner (\$85,950). (Swedish krone converted at \$0·2250.) In the same year 1,965·7 metric tons of manufactured and semi-manufactured asbestos were imported to the value of 307,000 kroner (\$69,075). The supplying countries were Germany, Great Britain, Soviet Russia, Holland, and Belgium.

There is no tariff on asbestos entering Denmark, and the Exchange Control laws do not apply to this commodity.

#### FINLAND

Although there are extensive deposits of asbestos in Scandinavia, Finland is the only country which contains deposits of sufficient purity to warrant mining on a commercial scale. The industry has been increasing in recent years, and in 1934 there were 14,000 metric tons of crude asbestos mined compared with 9,200 tons in 1933 and 6,000 tons in 1932.

From the crude asbestos mined in 1934, 3,687 tons of asbestos fibre were manufactured last year, as well as 177 tons of asbestos board and 900 tons of insulation material.

Asbestos was not specified in Finnish export statistics prior to 1935, but last year asbestos fibre was specifically mentioned. The following table gives exports of asbestos fibre by markets with values in Finnish marks, and Canadian dollars within parentheses (Finnish mark converted at \$0·0223):—

	M. Tons	1935	
		Fin. Marks	Can. \$
Total exports.. . . .	1,265·7	1,566,703	34,937·00
Germany.. . . .	407·6	340,298	7,588·64
Sweden.. . . .	424·2	635,974	14,182·22
Great Britain.. . . .	96·6	113,165	2,523·57
Denmark.. . . .	68·7	107,930	2,406·83

Finnish asbestos fibre is 99 per cent pure, but of low grade. The fibre is too short for spinning yarns or cloth, but it makes an excellent insulating material and can be laid down in neighbouring countries at extremely low costs. The material is known locally as "sheep fibre."

Finnish imports of asbestos are negligible, but very small quantities are purchased from Russia, Germany, Great Britain, and the United States. There is no tariff on asbestos entering Finland.

## WHEAT AND FLOUR TRADE REGULATION IN EUROPEAN COUNTRIES

### VIII

#### Belgium

MAURICE BÉLANGER, ACTING TRADE COMMISSIONER

#### WHEAT

Brussels, July 25, 1936.—As early as 1932 the Belgian Government took measures to protect wheat growers and ensure the orderly liquidation at remunerative prices of the domestic wheat crop. No taxes were imposed on imported wheat, but millers were compelled to use at least 5 per cent of domestic wheat in their blends. This proportion was subsequently increased to 10 and later to 20 per cent, and the minimum price for domestic wheat was fixed at 85 francs per 100 kilograms (220·4 pounds), which price was then approximately 20 francs above world prices.

#### IMPORTS SUBJECT TO LICENCE

In July, 1933, this system, not being satisfactory, was discontinued and imports of foreign wheat became subject to licence, a fee of 10 francs per 100 kilograms (9 cents per bushel at present rate of exchange) being charged for the licences. Under the new system the millers were no longer required to use a fixed minimum of domestic wheat in all their blends, but an agreement was nevertheless entered into by the millers whereby they guaranteed to consume the domestic crop every year. The quantity of domestic wheat to be used by each miller is now fixed by the Millers' Association and depends on the quantity and nature of the flour produced.

Licences to import foreign wheat are granted to any one and for unlimited quantities, and millers may purchase the wheat in the country of their choice. Licences to import from France, however, are restricted, as the export price of French wheat is lower than the domestic price, which constitutes a case of dumping.

#### IMPORT LICENCE TAX AND TRANSMISSION TAX

The tax of 9 cents per bushel on import licences was discontinued from March 31 to August 18, 1935, due to an increase in the price of wheat, but was applied again on the latter date and still remains in force. The proceeds from this tax are used to pay a bounty to wheat growers, the amount of which is fixed each year and depends on the size of the crop and the level of prices. The bounty was previously paid on the basis of the amount of wheat grown, but for the last crop it was set at 200 Belgian francs per hectare (\$2.65 per acre) grown in wheat.

The transmission (sales) tax on imported wheat amounts to 2·5 per cent of the c.i.f. price, irrespective of the country of origin. There are no customs duties and no special requirements regarding documents.

#### FLOUR

The Belgian milling industry is well protected. The importation into Belgium of flour for bread-making is prohibited; only small quantities for special purposes are permitted entry under licence, and quotas are granted only to Canada, the United States, and France. France's quota is equal to 20 metric tons per month, and French flour may be employed only for the making of some biscuits for re-export. The quota permitted to Canada and the United States, the two countries being combined for the purpose of the quota, amounts to 50 metric tons monthly, and flour from these countries may be imported only for

the making of *biscottes* (a variety of toasted bread), or for resale to ships' stores. The licence fee is 14 francs per 100 kilograms, gross weight (about 13·5 cents per bushel). The duty is 4·60 francs per 100 kilograms (about 4·3 cents per bushel). The *taxe forfaitaire*—a sales tax paid on importation and which covers all subsequent transactions—amounts to 2·5 per cent of the duty-paid value, irrespective of the country of origin, in the case of flour packed in barrels or sacks, and to 5 per cent of the duty-paid value, also irrespective of the country of origin, on flour put up for retail sale. No certificate of origin is required.

Licences for the importation of flour for animal feed are granted freely to any importer and for unlimited quantities, importers being at liberty to obtain their supplies wherever they wish. No licence fee is imposed, but the rate of duty is the same as for ordinary flour. The *taxe forfaitaire* amounts to 2·5 per cent of the duty-paid value, irrespective of the country of origin. No certificate of origin is required. The Government, of course, requires proof that the wheat is actually used for the purpose stipulated.

## NEW YORK MARKET FOR FRESH-WATER FISH

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

New York, August 5, 1936.—The average annual per capita consumption of fish of all kinds in the United States amounts to about 13·3 pounds, and in New York City to 32 pounds—probably the highest for any city in the United States. As might be expected, most of the fish consumed in New York is of the salt-water variety. Nevertheless, there is a definite market for fresh-water fish, especially among the Jewish population, where its delicate flavour, texture, and sweetness is generally appreciated.

Most of the fresh-water fish is obtained from the two great water areas to the north, the Great Lakes and the lakes of Western Canada and Northern Minnesota. The Great Lakes supply the New York market during the summer months; fish from Western Canada finds its best market during the winter period of November to April. It will be seen therefore that Western Canada fresh-water fish acts as a winter supplement to domestic supplies which have been largely consumed through the summer months.

### DOMESTIC SUPPLIES

The latest figures available show that the domestic catch of fresh-water fish from the Great Lakes and Northern Minnesota amounted to 83,744,389 pounds valued at \$4,389,061 in the year 1932. The main types of fish comprising this catch consisted of:—

	Pounds	Value
Lake herring.. . . .	11,686,374	\$181,257
Yellow perch.. . . .	11,472,500	466,902
Lake trout.. . . .	10,661,712	919,591
Blue pike.. . . .	9,947,464	411,107
Whitefish (common).. . . .	9,730,504	1,101,642
Whitefish (Menominee).. . . .	89,108	17,203
Sucker.. . . .	4,192,360	137,256
Yellow pike.. . . .	4,441,450	457,333
Chubs.. . . .	4,056,512	248,272
Sauger.. . . .	3,447,579	135,219
Tullibee.. . . .	1,296,668	16,104
Pickarel.. . . .	372,556	16,324

### IMPORTS FROM CANADA

As far as imports are concerned, official United States statistics show that during the past three years the following quantities and kinds of fresh-water fish were received from Canada:—

	1933 Pounds	1934 Pounds	1935 Pounds
Whitefish.. . . . .	10,029,807	10,016,034	11,683,491
Yellow pike.. . . . .	8,498,767	8,348,967	8,104,721
Yellow perch.. . . . .	1,077,969	4,159,563	5,417,378
Lake trout.. . . . .	1,766,268	2,749,277	3,790,380
Jacks, or grass pike.. . . . .	1,825,550	2,043,208	3,694,012
Tullibees.. . . . .	1,535,130	1,084,439	2,656,937
Lake herring.. . . . .	992,572	1,158,711	1,574,983
Lake fish n.e.s... . . . .	14,434,347	15,054,803	11,828,841

### DISTRIBUTION OF IMPORTS

A rough indication of the distribution of these imports can be gathered from the official classification of imports according to customs districts for the year 1934, which are the latest published figures. The total imports of 45,146,623 pounds were almost entirely from Canada. Registrations were: Buffalo, 13,552,278 pounds; Michigan, 11,408,420 pounds; Dakota, 9,842,937 pounds; St. Lawrence, 5,178,868 pounds; Duluth and Superior, 2,745,507 pounds; Ohio, 628,616 pounds; Washington, 366,400 pounds; Vermont, 280,802 pounds; New York, 249,352 pounds; Chicago, 200,502 pounds; Minnesota, 161,888 pounds; and Florida, 71,375 pounds.

At first glance these figures do not lend much encouragement to the view that New York is a large consumer of fresh-water fish, but it must be appreciated that a great percentage of the quantities listed for Buffalo, St. Lawrence, and other points adjacent to the Canadian border ultimately find their way to New York. It is considered in the trade that New York may receive between 15 and 20 per cent of the total annual imports. At the same time, the figures emphasize the wide distribution of fresh-water fish in the United States.

With prosperity returning in the Mid-western States this feature of the trade has become quite pronounced. Shippers from Western Canada have been finding new and increasing markets in such cities as Indianapolis (Ind.), Columbus (Ohio), and Kansas City (Mo.). In many instances this diversion of traffic has led to a direct curtailment of shipments to New York, where formerly fish were sent on consignment for lack of better outlets. New York, however, has remained an important factor in the Western Canada fishing industry. It is estimated that during the past winter New York absorbed between three and four cars of Western Canada lake fish a week, the shipments being about equally divided between Alberta and Manitoba.

### PRICES

By the time fish from the Manitoba lakes is ready for export from Winnipeg, it is estimated that it has been subjected to four separate items of cost over and above the initial payment to the fisherman. The hauling of the fish to the railhead, the cost of local packing, the shipment to Winnipeg, and finally the exporter's commission, all comprise a steady overhead charge of about 5½ cents a pound. Thus, after allowing the fisherman about 4½ cents per pound, the final cost of Western Canada lake fish for export from Winnipeg amounts to about 10 cents a pound. New York dealers state they usually estimate that the expense of transporting fish from Winnipeg to New York averages 6½ cents a pound, which includes the payment of duty amounting to three-quarters of a cent a pound. To this is added the commission dealer's charge of 15 per cent of the sales price, or about 5 cents a pound, so that eventually fish drawn from Manitoba lakes have a value of about 21 cents a pound on the New York wholesale market. Finally, there is added the profit of the retailer, which usually rates about 10 cents a pound, yielding a consumer price of over 30 cents a pound.

With these facts in mind it is interesting to examine the following prices for fresh-water fish, quoted on the Peck Slip wholesale market during the winter months of the past year, the period when the major supplies were arriving from Western Canada:—

	Whitefish (Canadian) Cents per Lb.	Pickarel (Yellows) Cents per Lb.	Saugers Cents per Lb.
Dec. 16. . . . .	18.2	16.7	....
Dec. 21. . . . .	22.0	19.7	....
Dec. 30. . . . .	15.8	20.8	....
Jan. 6. . . . .	21.0	22.3	....
Jan. 13. . . . .	26.3	23.0	....
Jan. 20. . . . .	24.0	19.0	....
Jan. 27. . . . .	19.0	16.9	....
Feb. 3. . . . .	23.5	22.2	16.2
Feb. 10. . . . .	26.3	23.0	18.0
Feb. 17. . . . .	35.0	22.0	17.3
Feb. 24. . . . .	27.8	23.8	17.3
Mar. 2. . . . .	29.0	23.8	17.8
Mar. 9. . . . .	30.0	24.5	18.0
Mar. 16. . . . .	30.0	19.5	16.2
Mar. 23. . . . .	30.5	21.5	14.5
Mar. 30. . . . .	29.2	34.0	16.5
Apr. 6. . . . .	....	48.8	15.5
Apr. 13. . . . .	....	20.0	18.5
Apr. 20. . . . .	....	12.2	8.0

It will be noted that prices showed a marked increase toward the end of March, especially during the week of March 30 to April 5. This is the period of the Jewish holidays and, as far as can be ascertained, in anticipation of an increased demand during that period, dealers are inclined to increase their offers to shippers even to unremunerative levels where the final retail prices are too high to permit active public consumption.

#### METHODS OF MARKETING

The striking feature of the wholesale prices which have just been quoted is their rapid fluctuation from week to week. As these are average prices for the week, it will be understood that fluctuations from day to day are even more marked. Outside of the larger companies which maintain offices both in Winnipeg and New York, and are capable of controlling their marketing operations closely, there are a number of independents, especially in Alberta, who ship on consignment to New York. Apart from about eight well-established concerns, however, the remainder of the companies operate with insufficient capital, and have not the stability that characterizes the larger organizations. Canadian shippers are strongly advised to consult the Trade Commissioner's office in New York before accepting the offers of New York houses which are not already well known to them.

### ECONOMIC SITUATION IN MEXICO

S. G. MacDONALD, ACTING TRADE COMMISSIONER

#### IV. Transportation and Communications

(During the past two years the average value of the Mexican peso has been approximately 3.60 pesos to the United States dollar)

##### RAILWAYS

Mexico City, July 23, 1936.—In 1934 (since which no statistics are available) there were 14,400 miles of railway in Mexico, of which 11,332 miles of standard and 3,543 miles of 3-foot gauge (including sidings, etc.) were being operated. The total value of the rolling stock, property, right of way, and equipment was 1,379 million pesos, after taking into account improvements (80½ million pesos) and the 38 million pesos written off for depreciation the previous

year. Operating expenses rose from 113·5 to 123·1, and receipts from 131·7 to 150·2, all in millions of pesos, from 1933 to 1934; total freight handled increased from 12·2 in 1933 to 15·3 million tons in 1934. Statistics are not available for 1935, but for the first seven months of that year the National Railway system showed a fair increase in both tonnage and passengers carried in both volume and value, as:—

	Unit	1933	1934	1935 (Jan.-July)
Passengers carried.. . . . .	1,000	4,558	5,736	6,790
Passengers receipts.. . . . .	pesos	8,427	10,185	12,230
Freight carried.. . . . .	tons	3,282	4,304	4,965
Freight receipts.. . . . .	pesos	32,424	43,292	47,988

Profits of the forty lines, of which the Ministry of Communications gives details and which amounted to 25 million pesos in 1929, 2 million pesos in 1932, and 8½ million pesos in 1933, rose to 27 million pesos in 1934, and, according to official estimates, despite labour and wage difficulties, will show further improvement for 1935 and again in 1936.

#### RAILWAY COMPANIES

The two most important foreign-owned railways are the Mexican Railway (British) with 3 per cent of total mileage, and the Southern Pacific Railroad of Mexico (United States) with 12·3 per cent of the total mileage. Excepting mining and other lines of minor importance, the remainder is owned by the two government-controlled companies, National Railways of Mexico, S.A., with 8,200 miles of track; and Railways of Mexico, S.A., commonly called "Ferromex."

This last-named organization was established in November, 1935, with an authorized capital of 100 million pesos, of which the government owns two-thirds, represented as to 14,000,000 pesos by the National Railways of Tehuantepec and the lines from Veracruz to Alvarado and from El Juile to San Juan Evangelista, "free of all charges," and 10 million pesos in cash from the 1936 budget for work to be carried on in 1936.

Construction began early in the present year on lines in the southeast, particularly in the area about Campeche, and tenders for large quantities of rails and other materials have been called for. The reason for the creation of a company separate from the National Railways is the desire to operate the southwestern and eastern systems free from the encumbrances and charges which are incident to the older line.

For a number of years the railways have been somewhat neglected, in so far as new equipment is concerned, but during 1935 some locomotives and freight cars were purchased in the United States, while the northern portion of the National Railways was relaid with 90-pound rails, the heaviest sections in use in Mexico. The sum of 14 million pesos was provided in the 1936 budget for four new railway lines.

#### TRAMWAYS

The companies established in Mexico were operating 266 miles of tramways in 1934 (approximately the same at the end of 1935), the most important concern being the Canadian- and English-owned system in the Federal District with 205 miles of broad gauge; the next in importance are at Tampico and Torreón with 12 and 8 miles respectively. Since 1929 expenditure has exceeded revenue; losses have grown at an alarming rate since 1931. Strikes and the operation of higher wage scales have caused these companies, together with all public utility companies in Mexico, considerable difficulty and have added much to the losses incurred. At the present date (July 23, 1936) a serious strike among the employees of the Federal District's light and power company is in progress, which has tied up the tramway lines and caused considerable dissatisfaction among the tramway employees.

## ROADS

Much attention is being given by the Government to the construction of first-class all-weather roads, of which the principal connects the capital (Mexico City) with Laredo, Texas; it is asphalted throughout over a distance of 767 miles, and in view of the nature of some of the terrain passed over, it is a marvel of engineering. The official opening took place on July 1, 1936, since which time there was a steadily increasing volume of motor traffic passing over it from the United States.

A network of similar roads encircle Mexico City, many of which have only been completed within the past year or two, and a number of all-weather asphalt roads to connect such important centres as Mexico City and Guadalajara, Puebla and Orizaba with Veracruz, Tampico with Pachuca via Tuxpan, Chihuahua and later Torreon with El Paso, Hermosillo with Nogales, with sections of the international highway between Nogales and Suchiate in the states of Nayarit, Oaxaca, and Chiapas are already under construction or in project. While on a number of these roads but little work has already been done, the mileage is increasing steadily under the Six-year Plan. At present for all-weather roads it totals 1,145 miles, making an aggregate of 2,378 miles of usable roads in the republic. With the continuance of the present program this total should be more than doubled within the next few years.

## AVIATION

The growth of air transportation on account of the mountainous nature of much of Mexico has been rapid. To-day the republic is connected in all of its important parts to the complete network in the United States in the north and Central and South America in the south by the Pan-American Airways. Domestic systems, largely under foreign control, operate 12,965 miles of airways in Mexico, and new sections are continually being opened up. Since the beginning of July of this present year New York and Mexico City are but 20 hours apart; Chicago and Los Angeles are much closer. Panama is reached in 27 hours, Veracruz and Tampico in 1½ hours, Mérida in 8½ hours, Guadalajara in 2 hours, Torreon in 5 hours, and Mazatlan in less than 4 hours. Air charter and air express services are being developed. The following table indicates clearly the progress made in the past three years:—

Year	Flights (Number)	Miles Flown	Passengers Carried	Baggage Tons	Mail Tons	Freight Tons
1933.. . . . .	19,830	2,539,713	39,123	447	57	691
1934.. . . . .	22,805	3,991,348	51,558	624	119	1,387
1935 (Jan.-June) ..	11,955	1,842,533	29,598	386	82	757

Officials of the Pan-American Airways estimate that the increases in all branches during 1935 and the first half of 1936 were at rates slightly less than is indicated for those shown in 1934 and 1933.

## WIRELESS AND RADIO

The majority of the wireless stations are owned and operated by the Government; private enterprise is not encouraged. The Telegraph Department operates a high-power short-wave telegraph-telephone station for international service, and an extensive network of low-power short-wave stations which deal with a considerable volume of traffic as an adjunct to the landline telegraph. Five small coast stations operate on the standard wave-length for ship-to-shore communications, and there are a number of low-power short-wave equipments, for army, navy, and police work, operating over short distances. Most of the equipment is built of United States component parts in Government workshops.

Excluding five medium-powered Government transmitters used for educational and propaganda purposes, there are between thirty and forty-commercial

broadcasting stations in the republic. Few of these operate on a paying basis. The general tendency of Mexican stations is towards poor and overlapping programs and faulty transmissions. This leads to a preference for United States programs, some of which are rebroadcast by Mexican stations. Five high-power stations operate near the United States border, transmitting in both Spanish and English; these are popular in Mexico. Most stations operate on both short- and medium-wave lengths, the long European band being unknown. There are 900,000 receiving sets in the republic, of which 95 per cent are of United States manufacture. No licence fees or other taxes are imposed.

## ECONOMIC CONDITIONS IN ARGENTINA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, July 27, 1936.—There is a distinct feeling of optimism in Argentina with regard to the possible trend in business in view of the strengthening of grain prices and the present more or less favourable crop prospects. The short wheat crop of last year has not so far affected the general business situation in any appreciable degree. Corn has become the more important single factor in export trade, and in other branches of industry, both in manufacture and agriculture, economic activity has become more diversified so that the failure of a crop such as was experienced last year, while most serious, is no longer the catastrophe it might have been even a comparatively few years ago.

### EXCHANGE CONTROL

There has been no change in the system of exchange control and the exchange value of the peso, which is fixed officially, has not so far had to be modified on account of the reduced current supply of foreign currencies this year arising from Argentine exports. It is believed that the surplus of foreign exchange already held by the authorities, combined with an expected increase in the level of corn exports from the large surplus available and generally higher export prices, will make it possible to hold the peso at its present level.

Canadian exporters in general are still severely handicapped in this market in that they have an exchange differential of 20 per cent against them as compared with their competitors in practically all commodities. Farm implements and newsprint continue to absorb all the preferential exchange that is made available through purchases of Argentine products. Newsprint shipments from Canada this year are expected to equal the tonnage placed in this market in 1935 and will again represent nearly half the aggregate consumption from all sources.

### EXTERNAL TRADE

The smaller surplus of wheat and flaxseed that is available for export this year is reflected in a steady decline shown each month in the favourable balance of trade on merchandise account. For the first half of 1935, Argentina had a favourable balance amounting to 289 million pesos, whereas the balance has been reduced to 184 million pesos for the corresponding period of the present year. Imports have not been curtailed, showing an increase of 8 per cent in volume although there is a slight decrease in value amounting to 3.7 per cent as compared with 1935. On the other hand, total exports have declined in value to the amount of 126 million pesos during the first half of 1936 as compared with last year. The decrease in export values is accounted for by: wheat, 104 million pesos; flaxseed, 24 million; oats, 11 million; barley, 13 million; and rye, 7 million pesos. Exports of animal products show an increase so far of 33 million pesos this year.

## GRAIN TRADE

## WHEAT

Exports of wheat from Argentina for the first half of 1936 have amounted to only 24,199,393 bushels as compared with 93,488,148 bushels for the corresponding period of 1935. Similarly, shipments of other cereals except corn show decreases, such as flaxseed 27,147,696 bushels from 40,016,439 bushels, oats 4,409,186 bushels from 19,333,857 bushels, and barley 6,402,086 bushels from 16,404,109 bushels for the respective periods. Up to June 30 this year 63.4 per cent of all the wheat exports have been from the southern ports in the "Barusso" producing area, and to July 23 Brazil had taken 63 per cent of all the shipments from Argentina.

## CORN

Exports of corn from the new crop have been lower so far than expected by reason of the unusually wet weather which has delayed shelling and hindered movement to the ports. The quality has been affected as well in certain districts. Corn exports amounted to 122,769,034 bushels for the first half of 1936, a slight increase from 117,192,639 bushels to June 30 last year. The corn crop just harvested is estimated officially at 381,090,921 bushels as compared with 451,164,000 bushels for the 1935 crop. There should be a heavier export movement in corn during the last half of this year.

## EXPORTABLE SURPLUSES

The Department of Agriculture estimates the exportable surplus of wheat at 28,436,261 bushels, flaxseed 17,577,121 bushels, and corn 263,492,941 bushels as of July 25, 1936. The first estimate of the area seeded to wheat this year has not yet been announced, but the heavy rains which still continue have delayed operations in the central areas and may prevent any substantial increase in the acreage to be sown this year.

## LIVESTOCK INDUSTRY

Weather conditions have been excellent this winter for grazing. Cattle prices are somewhat better and exports of all animal products show an increase in value of 33 million pesos as well as a higher volume as compared with last year. Wool shipments are lower in volume but export prices are considerably better. Chilled meat exports to the United Kingdom are up slightly, both in volume and in aggregate value as compared with 1935.

The negotiations for the renewal of the present Roca-Runciman agreement with the United Kingdom continue, and the announcement of the outcome is being awaited with much interest here, particularly among the livestock breeders. The Argentine Government appears to be insisting on obtaining control of the allotment of the British quota for Argentine chilled beef among the various meat-packing plants here which are practically all owned by American and British interests. Allotments under the present quota are made by the British Government except for 15 per cent of the aggregate quota which is at the disposal of the Argentine Government already. Local cattle breeders claim that any tax on meats will be passed on to the producer here by the packers. The idea of a tax is accepted in principle, so that interest centres on the possible margin of preference to the Dominions and the provisions to be agreed upon which would give Argentina an assured market for even a restricted volume of meats in the United Kingdom.

## POSTAGE TO CHINA

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

Shanghai, July 29, 1936.—The attention of Canadian exporters is called to the fact that the minimum postage to China from Canada on first-class mail matter up to one ounce in weight is 5 cents, Canadian currency. An additional 3 cents per ounce or any fraction thereof is payable upon letters in excess of the minimum weight of one ounce. Any deficiency of postage is chargeable to the recipient at double rate.

Several letters are received by this office in nearly every mail bearing each a 3 cent stamp instead of a 5 cent stamp, thus causing unnecessary delay, expense and inconvenience. The procedure adopted by the Chinese Post Office in respect to understamped mail matter is different to that followed by some countries, where the letters are delivered by postmen who collect the surcharge from the addressee. In China such letters are retained at the head post office and a slip is sent to the addressee advising that an understamped letter has arrived for him and will be handed over on payment of double the amount of the postage due. It is then necessary to send the money to the post office and to personally collect the letter. It will thus be seen that a delay of at least one to two days is entailed.

Apart from the inconvenience the understamping of letters obviously creates a bad impression on importers. Canadian firms are therefore urged to impress upon their postal clerks that the minimum postage on letters to China is 5 cents.

## TRADE-MARK PROTECTION IN CHINA

Mr. B. A. Macdonald, Assistant Trade Commissioner at Shanghai, writes that the increasing number of Chinese articles whose sale depends largely on brand goodwill suggests a reason why Canadian firms, even if they only contemplate entering the Chinese market in the future, should at once consider registering trade-marks. Preferably the trade-mark should be a device easily recognized and remembered, such as "horse," "tiger," "lion," "star," "bicycle," or "battleship." These are typical of the most successful "chops" used in China. Unless the accompanying Chinese characters used are decided by an expert in the Chinese language there is danger that they will convey an ambiguous or even ridiculous meaning. Typical examples of prohibited trade-marks are: the Chinese national flag, insignia of the Red Cross Society, photograph or name of another person.

An applicant for registration must have a residence or place of business in China. Firms can, however, meet this requirement by registering through their agent or legal representative, preferably the latter because the commercial agency may change. Actual registration should be effected through a trade-mark attorney in Shanghai. Names of attorneys may be obtained on application to the Director, Commercial Intelligence Service, Ottawa.

The applicant must provide: (1) declaration of his nationality in duplicate, one copy notarially witnessed; (2) authorization to the agent, in duplicate; (3) zinc die or electrotype of the trade-mark not more than 13 by 13 by 3 centimetres; (4) twelve facsimiles of the trade-mark on strong clear paper not over 13 by 13 centimetres. It would be desirable in many cases to forward at least three samples of the product itself. This is essential where such products as patent medicines are concerned. The applicant must select from seventy classifications the appropriate one under which he will register.

### CHARGE FOR REGISTRATION

The bureau's charge for registering one mark is \$50 Chinese, but other small charges may have to be met. Additional associated trade-marks by the same

applicant cost \$25 Chinese each. Most legal firms specializing in this class of work, it is understood, charge from \$125 to \$200 Chinese currency (approximately \$37.50 to \$60 Canadian), out of which they pay the charges made by the bureau.

As in the case of trade-mark registration in all countries, there are, of course, many other regulations and provisions to be observed in the Chinese trade-mark law. The Trade-mark Bureau functions now at Nanking, the capital, administering a law effective since November 23, 1935, which was a revision of a five-year-old enactment. As the office of the Trade Commissioner at Shanghai is always available in matters relating to protection of the trade-marks of Canadian firms, Mr. Macdonald advises that it might be well for those who have already registered trade-marks in China to send to the Trade Commissioner's office in Shanghai facsimiles of the marks with such details of registration as the date, number of certificate, and the name of their agent.

## MARKING OF CARGO FOR CHINA

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

Shanghai, July 23, 1936.—With reference to Chinese Maritime Customs notifications, regarding marking and numbering of cargo, reported in *Commercial Intelligence Journal* No. 1514 (February 4, 1933), page 153, and No. 1527 (May 6, 1933), page 704, a new notification, No. 1527, issued at Shanghai on July 9, 1936, constitutes a summary of these regulations as they now stand. The text is as follows:—

With reference to Customs Notifications Nos. 1242 and 1257, regarding the marking and numbering of import cargo, as requests for information show that the public are frequently in doubt on this matter, a summary of present Customs requirements in this connection is given below and will be strictly enforced from the 12th October next.

1. The object of the regulation is to enable the Customs to identify readily each package of cargo by its marks and numbers alone.

2. (a) All import cargo must bear a mark which should be a distinctive design, e.g.,



or set of not less than three letters, e.g.,

A C K

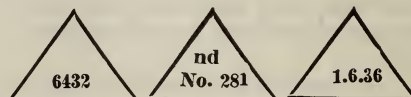
or a combination of a distinctive design and letters, e.g.,



A C K

indelibly painted, stencilled, stamped or burnt on the packing of the cargo or if there is no packing, on the cargo itself for the purpose of identification.

(b) For cargo packed in cases, boxes, crates, casks, drums and cylinders, unless each package bears a separate number which is not repeated over a period of at least two years, the mark must be further amplified by a distinctive non-recurring number or date special to the individual consignment. This number may be either the individual shipment number or the indent number, or the date of shipment may be used instead, e.g.,



Cargo in other forms of packing such as in bags, bales, etc., must either bear a non-recurring number or date as above or be indelibly marked with a non-recurring set of not less than three letters.

3. In addition to bearing a mark such as laid down in § 2, all consignments of import cargo must be numbered, i.e., each package must bear an individual number of a consecutive series, e.g., 10, 11, 12, 13, etc. Numbering, however, is not essential for large lots of cargo except when packed in cases, boxes, or crates, provided that each package of the consignment contains identical cargo of identical weight.

4. The following exceptions to the general ruling laid down in §§ 2 and 3 are allowed:—

(a) The following uncased cargo may be marked as shown below:—

*Angles, Bars, Bar Ends, Shafts, etc.*—To be splashed with coloured paint at the ends (green, white, and red).

*Cobbles.*—To be splashed with paint or marked with metal tags attached.

*Iron or Steel Sheets and Plates.*—To be marked in accordance with § 2 in paint.

*Leather of Every Description.*—To be chopped in accordance with § 2.

*Pipes and Tubes.*—To be marked with linen or metal tags attached.

*Ropes in Coils.*—To be marked with linen, canvas, or metal tags attached.

*Timber in Logs.*—The mark, i.e., mark or number, to be punched in or painted on.

*Wire and Wire Shorts.*—To be marked with metal tags attached.

Any other cargo which owing to the nature of the goods or packing cannot be indelibly marked as laid down in § 2 is to have linen or metal tags bearing the proper mark attached.

(b) Numbering of individual packages will not be insisted on (providing that the marks are sufficiently distinctive) for tinned plates and other articles intended solely for the use of the importing firm, its agencies, or factories and not intended for re-export to another open port.

(c) Marking with a non-recurring shipment number, etc., as laid down in § 2 (b) or numbering will not be insisted on for fresh fish, fruit, or vegetables, but in this event all re-export privileges will be forfeited.

5. Cargo which does not comply with the above requirements will have to be re-marked under Customs supervision on payment of the usual fee of \$16 for four hours or part thereof. If two or more lots of cargo, whether arriving by the same or different steamers, are stored in the same godown, and are found to bear identical or very similar marks and numbers, the cargo will also have to be re-marked even though it comes from different ports and is applied for by different importers or consignees. It is therefore to the merchants' interest to see that their cargo is distinctively marked and numbered. The ruling of § 2 (b) which has hitherto not been insisted on will be strictly enforced from the 12th October, 1936, after which date all cargo which does not comply with the requirements of § 2 (b) will have to be re-marked under Customs supervision on payment of the usual fee.

6. When whole consignments of cargo consist of packages with identical contents and of identical weight, and part only is applied for, the individual case numbers need not be declared on the covering application, it being sufficient to give the inclusive case numbers for the whole lot, e.g., 10 packages ex lot 1/100.

#### POINTS ON WHICH EMPHASIS IS LAID



The following points in the regulation might be emphasized:—

(a) Failure on the part of shippers to observe the regulations will not only make the consignee subject to the charge mentioned in Article 5, but may also make it difficult for him to move the cargo within China.

(b) Article 3 may be clarified by noting its application to two important Canadian commodities. In the case of flour, since it is shipped in bags each containing "identical cargo of identical weight," and *not* in "cases, boxes, or crates," each sack of each shipment lot need *not* bear an individual consecutive number. In other words, the bags, whether there are 10 or 10,000 bags in one shipment of flour from one exporter to one consignee arriving by one vessel, need bear only the combination of mark and/or letters plus shipment numbers described in Articles 2 and 3.

But, on the other hand, since dry salt herring is shipped in cases, *each case* must bear, in addition to the lot marks described in Articles 2 and 3, an individual consecutive number.

(c) Although sawn lumber and railway ties are not mentioned specifically above, this office has been advised by the Commissioner of Customs that, provided that each piece of sawn lumber, railway tie, etc., bears an indent number non-recurring for a period of at least two years in addition to a mark and/or

letters, e.g. C 267,  C , etc., the marking will be

considered to be in order. In other words, each piece need not bear an *individual* consecutive number.

## LEATHER INDUSTRY AND TRADE OF JAPAN

P. V. McLANE, ASSISTANT TRADE COMMISSIONER

(For purposes of comparison, the average rate of the yen in 1932 was 31 cents; in 1933, 28 cents; and in 1934 and 1935, 29 cents Canadian funds)

Kobe, July 28, 1936.—No developments of any note have taken place in the leather industry of Japan in the last few years although a gradual expansion has been evident. Total production was valued at 29,184,916 yen in 1932, 30,797,216 yen in 1933, and 34,978,342 yen in 1934, the last year for which figures are available. According to the general items, production was as follows for the same three years:—

	1932 Yen	1933 Yen	1934 Yen
Boots and shoes. . . . .	19,328,297	18,826,076	21,887,389
Trunks, suitcases, bags, etc. . . . .	2,109,033	3,486,080	4,405,885
Harness. . . . .	1,387,445	1,744,679	1,490,318
Belting. . . . .	4,344,473	4,339,168	4,910,104
Miscellaneous specialties. . . . .	2,015,663	2,401,213	3,284,646
Total. . . . .	29,184,911	30,797,216	35,978,342

The use of boots and shoes of leather in Japan is confined for the most part to business men in the larger cities, school children, soldiers and sailors, and the few Japanese women who dress in foreign-style clothing. The item under this heading in the above table covers factory-made boots and shoes which are very cheap and of inferior quality, averaging about 6 yen a pair. Better-grade shoes in considerable numbers are made to order in small shops. The manufacture of trunks, suitcases, and bags has shown a steady increase, improvement in quality keeping pace with the rise in demand. For the most part these products sell at a relatively low price and find a large sale among tourists.

In spite of the increasing use of motor transport, a steady increase, even in the large cities, is noted in the production of harness. The production of belting has remained more or less stationary, but not before it had ousted foreign-made belting. Development of the export markets will be an incentive to increase production in future. The term "miscellaneous specialties" covers a great number of articles such as tobacco pouches, amulet cases, hand bags, opera bags, pocket-books, money bags, card cases, and gloves.

Japan has both an import and export trade in leather. Imports have declined proportionately to the advance in production of the domestic leather industry and are now stationary; they consist almost wholly of quality goods. Japanese exports have shown an extraordinary advance; they cater for the most part to the price markets of the Orient.

## LEATHER EXPORTS

Exports of leather from Japan for the three years 1933 to 1935 were as follows:—

	1935		1934		1933	
	Lbs.	Yen	Lbs.	Yen	Lbs.	Yen
Leather.. . . . .	15,108	1,320,006	10,739	842,126	7,021	620,682
Belts.. . . . .	3,155	573,291	3,074	466,600	2,474	368,900
Leather manufactures.. . .	....	908,876	....	472,263	....	247,805
Total.. . . . .		2,802,173		1,780,989		1,237,387

About 40 per cent of the exports are sole leather; the remainder are upper. The chief buyers are Kwantung Province, Manchukuo, and China. The principal buyers of belts for machinery are China, British India, Kwantung Province, and Manchukuo. Leather manufactures, which embrace a large range of articles—bags, trunks, shoes, leather for baseballs, razor strops, purses, tobacco pouches, footballs, and various novelties—were bought practically by the same countries, namely, British India, Kwantung Province, Manchukuo, and China. The shipments to other markets are small but increasing.

## LEATHER IMPORTS

Prior to the development of the leather industry there was a brisk trade in leather products from abroad. Within the last few years the trade has become stationary, but the slight increase shown in 1935 would seem to indicate that the demand for quality leather is increasing. Details of the import trade for the three years 1933 to 1935 were as follows:—

	1935		1934		1933	
	Lbs.	Yen	Lbs.	Yen	Lbs.	Yen
Lacquered.. . . . .	8,547	41,997	8,456	35,743	10,155	48,835
Dyed or coloured.. . .	279,273	1,963,940	232,002	1,668,888	213,767	1,443,892
Sole leather.. . . . .	51,238	62,152	35,343	54,529	30,525	45,208
Other leathers of cow, etc.	38,311	53,503	53,764	55,885	61,545	85,447
Other sheep leather.. . .	1,343,695	2,663,720	1,141,971	2,856,125	1,304,453	2,139,211
Other leathers.. . . . .	234,292	140,575	160,223	126,073	103,408	104,231
Leather manufactures.. . .	.....	104,858	.....	95,527	.....	76,996
Total.. . . . .		5,048,569		4,925,299		4,010,013

Lacquered leather is the name given to what is usually termed patent leather. Domestic production is practically sufficient to meet the demand. What imports there are come principally from Canada and Holland. Dyed or coloured leather consists of over 60 per cent upper leather for manufacture into shoes, the remainder being mainly bag leather. This item has shown a slight but promising increase. Supplies are derived mainly from Germany and the United States; Czechoslovakia, Holland, and Great Britain also share in the trade.

Sole leather was at one time a large item in the imports, but the increase in domestic production has confined the business to specialty and quality leathers. The United States secures the bulk of the business. Other leathers—which include glove, upholstery, and fancy leathers—are secured mainly from Great Britain. Roller leather, a special sheepskin for use on spinning machines, is also imported, principally from Great Britain. British India supplies the bulk of other sheep leather, which is cheap and has a great variety of uses.

Specialties such as kangaroo leather, lizard and snake skins are included under the heading "other leathers." The expansion in this trade is due to their increasing use in making women's shoes. Supplies originate for the most part in the United States and Great Britain. A slight increase has been shown in the importation of leather manufactures, due to a quickening in demand for belting. Imports of other items such as sweat leather, shoes, and novelties were small and showed no great expansion. The United States and Great Britain are the principal shippers.

## PRICES

As prices differ greatly according to quality, the following are given principally to show the discrepancy between those of imported and domestic leathers. Patent leather is quoted by the square foot; imports are dutiable at 100 per cent ad valorem. Domestic prices range from 70 sen to 1·70 yen wholesale; those of imports from 80 sen to 1·30 yen c.i.f. Dyed and coloured leather is also quoted by the square foot; imports are subject to a duty of 195·75 yen per 132 pounds. The lowest domestic price is approximately 70 sen and the highest 1·10 yen wholesale; the price of the imported product ranges from 1 yen to 1·20 yen c.i.f. The domestic price of sole leather ranges from 90 sen to 1·20 yen per 132 pounds, wholesale. Prices of domestic-made belting vary according to width and thickness. Belting 1 inch thick, single-ply is sold wholesale at 43 sen, 2-inch at 86 sen, and 3-inch at 1·39 yen; double-ply 2-inch at 1·26 yen, 3-inch at 2·28 yen; up to 12-inch, single at 8·95 yen and double at 12 yen per foot.

## BRITISH TRADE COMMISSIONERS IN CANADA

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 901-902 Bank of Hamilton Building, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Western Canada), 850 West Hastings Street, Vancouver. Telegraphic address: "Vancom."

The Officer-in-Charge (for Manitoba and Saskatchewan), British Trade Commissioner's Office, 703 Royal Bank Building, Winnipeg. Telegraphic address: "Wincom."

## TARIFF CHANGES AND CUSTOMS REGULATIONS

## United Kingdom Tariff Changes

The Additional Import Duties (No. 17) Order of the United Kingdom, effective July 24, increases to 10d. per square yard the import duty payable on cut weft pile fabrics wholly or partly of cotton, weighing not more than 8 ounces per square yard, if imported in pieces not less than 40 inches in length. The former rate was 20 per cent ad valorem. By a later order, No. 120, effective July 28, the higher duty was made operative only until December 31, 1937.

Under the Additional Import Duties (No. 18) Order a minimum specific rate of 1s. 2d. per pound was established for hand lamps, pocket lamps, hand torches, and inspection lamps (excluding miners' lamps), being lamps or torches of a kind operated by a dry battery, and cases therefor, whether complete or not. The former rate of 20 per cent ad valorem will continue to apply on such goods where it would yield a greater amount of duty. The same order establishes a minimum rate of 6d. each on electric lamps adapted for use on cycles, being lamps of a kind operated by a dry battery, and cases therefor, whether complete or not. The former rate of 33½ per cent ad valorem will continue to apply where higher. The order came into force July 27, 1936.

Additional Import Duties (No. 19) Order, effective July 28, increases from 10 per cent ad valorem to 3d. per pound the duty on dried chamomile flowers, whether ground or not, which are used in the production of some toilet and medicinal preparations.

All the foregoing goods when Canadian products within the meaning of the Imperial preference regulations are guaranteed exemption from the duties mentioned by the terms of the Canada-United Kingdom Trade Agreement, 1932.

The Import Duties (Exemptions) (No. 6) Order adds to the free list naphthol AS-DB, an organic intermediate product used by dyers in the production of dyestuffs on the fibre.

Under the Additional Import Duties (No. 21) Order, 1936, effective August 7, the duty on flat rectangular glazed wall and hearth tiles, not figured or embossed, has been fixed at 2s. 3d. per square yard in the case of all-white tiles, and at 3s. per square yard in the case of other colours (including mottled tiles). These tiles were formerly dutiable at 30 per cent ad valorem.

When Canadian products within the meaning of the Imperial preference regulations, the goods in question are guaranteed duty-free entry under the terms of the Canada-United Kingdom Trade Agreement of 1932.

### **United Kingdom Quota Payments on Flour**

The Wheat (Quota Payments) No. 2 Order, 1936, of the United Kingdom, effective August 9, reduces from 14·4 pence per cwt. of flour to 9·6 pence the payment to be made to the Wheat Commission by each miller and importer of flour in the United Kingdom. The fund created by these payments is used by the Wheat Commission to reimburse United Kingdom wheat growers to the extent of the difference between the ascertained average price of home-grown millable wheat in any cereal year and the standard price of 10s. per cwt. fixed by the Wheat Act, 1932. Quota payments are levied on flour produced within the British Empire as well as on non-Empire flour.

### **Australian Import Restrictions**

With reference to the report on "New Australian Tariff and Trade Regulations" in *Commercial Intelligence Journal* No. 1687 (May 30, 1936), page 1047, Mr. M. T. Stewart, Acting Trade Commissioner at Melbourne, Australia, writes under date July 21 that it is necessary for Canadian goods shipped to Australia to conform to the requirements for British preferential tariff treatment in order to ensure their entry into the Commonwealth. If goods from Canada do not qualify with the required content of Canadian material and labour and thus fail to receive British preferential treatment, they will be treated according to the country of origin from which the remainder of the material and labour was derived. If the goods are on the list of restricted imports (as published in *Commercial Intelligence Journal* No. 1687), they will be refused entry unless the consent in writing of the Minister for Trade and Customs has first been obtained.

The High Commissioner of Australia in London, England, has been informed by the Australian Customs Department that exporters to Australia of non-Empire goods subject to restrictions should make a declaration on the face of the invoice, or on the back thereof, or in a separate document accompanying

the invoice, that the goods are of the origin claimed. The following is suggested as a suitable form for the declaration:—

I (name and description), of (name of company or firm), hereby declare that the goods enumerated in this invoice are bona fide the manufacture of (country of origin).

Signed.....

If the declaration is a separate document from the invoice, "in the invoice of.....  
to ..... dated ....."

### **Ceylon Amendment to Preference Regulations**

With reference to the article in *Commercial Intelligence Journal* No. 1670 (February 1, 1936), page 201, concerning British Empire content for manufactured goods imported into Ceylon, a notice issued by the Principal Collector of Customs, Colombo, provides that, effective July 1, 1936, the prescribed Empire content for lubricating oils, and for hams and bacon, will thereafter be 25 per cent. For other manufactured goods the prescribed Empire content is unchanged at 50 per cent, subject to exceptions for cigarettes and cinema films.

### **Empire Preferential Tariff Regulations of Malta**

The Empire Preferential Tariff Regulations, 1936, of Malta, have been issued by the Department of Trade and Commerce in the form of a mimeographed memorandum, F.T.D. Leaflet No. 100A, copies of which may be obtained by interested firms on application.

### **Trinidad Customs Changes**

Owing to a temporary scarcity of supplies of potatoes grown within the British Empire, the Governor in Executive Council at Trinidad issued an order on August 12, 1936, that until further notice the general tariff on potatoes would be reduced from 90 cents per 100 pounds to the rate in effect prior to February 22, 1935, that is 48 cents per 100 pounds, plus surcharge of 10 per cent. The preferential rate is 15 cents per 100 pounds.

### **Decrease in Netherlands Monopoly Tax on Wheat Flour**

Mr. W. G. Stark, Assistant Trade Commissioner in Rotterdam, writes that, according to a communication received from the Netherlands Central Flour Office, the Hague, the monopoly tax on wheat flour, to which reference was made in *Commercial Intelligence Journal* No. 1681 (April 18, 1936), page 713, has again been reduced from fl.6 to fl.5.50 per 100 kilos, effective as from August 4, 1936.

### **Amendment to Danish Import Control Law**

Mr. J. A. MacDonald, Assistant Trade Commissioner at Oslo, reports under date August 5 that from July 17, 1936, import permits from the Danish National Bank are no longer required on importation into Denmark of pickles (mixed vegetables preserved in vinegar and/or mustard), whether these are imported in hermetically sealed receptacles or other containers. Previously this exemption only applied to pickles imported in hermetically sealed receptacles. (See *Commercial Intelligence Journal* No. 1674: February 29, 1936, page 353.)

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 24

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the weeks ending August 24 and August 17, 1936, with the official bank rate.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 17	Nominal Quotations in Montreal Week ending Aug. 24	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1884	\$ .1885	3½
Belgium . . . . .	Belga	.1001	.1685	.1689	2
Bulgaria . . . . .	Lev	.0072	.0130	.0130	6
Czechoslovakia . . . . .	Krone	.0296	.0413	.0413	3
Denmark . . . . .	Krone	.2680	.2243	.2246	3½
Finland . . . . .	Markka	.0252	.0221	.0222	4
France . . . . .	Franc	.0392	.0658	.0658	3
Germany . . . . .	Reichsmark	.2382	.4023	.4025	4
Great Britain . . . . .	Pound	4.8666	5.0262	5.0325	2
Greece . . . . .	Drachma	.0130	.0094	.0094	4
Holland . . . . .	Guilder	.4020	.6790	.6791	3
*Hungary . . . . .	Pengo	.1749	.2955	.2960	4
Italy . . . . .	Lira	.0526	.0786	.0787	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0230	5
Norway . . . . .	Krone	.2680	.2524	.2528	3½
Poland . . . . .	Zloty	.1122	.1882	.1882	5
Portugal . . . . .	Escudo	.0442	.0455	.0455	4½
Roumania . . . . .	Leu	.0060	.0073	.0073	4½
Spain . . . . .	Peseta	.1930	.1365	1.366	5 Nom.
Sweden . . . . .	Krona	.2680	.2590	.2594	2½
Switzerland . . . . .	Franc	.1930	.3259	.3261	2½
United States . . . . .	Dollar	1.0000	Par	1.0004	1½
Mexico . . . . .	Peso	.4985	.2775	.2776	4-5
Cuba . . . . .	Peso	1.0000	.9990	.9995	—
Guadeloupe . . . . .	Franc	.0392	.0658	.0658	—
Jamaica . . . . .	Pound	4.8666	5.0362	5.0425	—
Martinique . . . . .	Franc	.0392	.0658	.0658	—
Other British West Indies	Dollar	1.0138	1.0470	1.0485	—
Argentina . . . . .	Peso (Paper)	.4245	.3349	.3356	—
Brazil . . . . .	Milreis (Paper)	Unofficial	.2770	.2771	—
		.1196	.0848	.0851	—
		Unofficial	.0580	.0589	—
British Guiana . . . . .	Dollar	1.0138	1.0470	1.0485	—
Chile . . . . .	Peso	.1217	.0517	.0517	4½
		Unofficial	.0417	.0417	—
Colombia . . . . .	Peso	.9733	.5690	.5693	4
Peru . . . . .	Sol	.2800	.2525	.2501	—
Venezuela . . . . .	Bolivar	.1930	.2450	.2501	—
Uruguay . . . . .	Peso	1.0342	.7969	.7973	—
South Africa . . . . .	Pound	4.8666	5.0200	5.0265	—
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1500	5.1525	—
China (Shanghai) . . . . .	Dollar	.....	.3005	.3002	—
Hongkong . . . . .	Dollar	.....	.3115	.3116	—
India . . . . .	Ruppee	.3650	.3795	.3799	3
Japan . . . . .	Yen	.4985	.2941	.2946	3.29
Java . . . . .	Guilder	.4020	.6825	.6823	4
Siam . . . . .	Baht (Tical)	.4424	.4607	.4613	—
Straits Settlements . . . . .	Dollar	.5678	.5892	.5902	—
Australia . . . . .	Pound	4.8666	4.0210	4.0262	—
New Zealand . . . . .	Pound	4.8666	4.0530	4.0586	—

\* Unofficial: .1979.

Exchange restrictions are still in force in many countries and exporters, when in doubt as to the effect of such restrictions on their commitments—especially in respect to countries for which more than one rate of exchange is quoted—are invited to communicate with the Commercial Intelligence Service for information.

The Dominion Bureau of Statistics has supplied the following note:

Apart from a slight gain in the £ sterling and related currencies on August 19, foreign exchanges have continued to remain almost stationary. Further small gold shipments were made from France to the United States bringing the total in this latest movement to a little less than \$18,000,000. Latest shipments have been unusual in that they have occurred when market offerings of francs were insufficient to make feasible ordinary commercial transfers of gold. News intimations indicate that although capital repatriation to France has been slight in the past month or so, capital exports also have been of small proportions.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Kitchener, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Dried Beans..... (Haricot and Butter).	597	Cape Town, South Africa.	Agency.
Butter Colouring.....	598	Windhoek, Southwest Africa.	Agency.
Lard.....	599	Ciudad Trujillo, Dominican Republic.	Agency.
Red Bran and Thirds.....	600	Newry, Co. Down, Northern Ireland.	Purchase.
<b>Miscellaneous—</b>			
Men's Haberdashery, (Ties, Belts, Suspenders and Garters).	601	Johannesburg, South Africa.	Agency.
Men's Silk Half-hose.....	602	Johannesburg, South Africa.	Agency.
Novelties for the Christmas Trade	603	Glasgow, Scotland.....	Purchase.
Printing Ink Powder.....	604	Tientsin, China.....	Purchase and Agency.
Barley.....	605	Georgetown, British Guiana.	Agency.
Industrial Hardware.....	606	Amsterdam, Holland.....	Purchase and Agency.
Stucco.....	607	Singapore, Straits Settlements.	Purchase and Agency.
Birch Rods.....	608	Glasgow, Scotland.....	Purchase.
Baled Shavings.....	609	Springfield, Mass., U.S.A.	Purchase.
Abrasive Blocks, Wheels and Stones.	610	Singapore, Straits Settlements.	Agency.
Ferro-Silicon and Ferro-manganese.	611	Rotterdam, Holland.....	Purchase.
Cream Acetic Standardiser.....	612	Windhoek, S.W. Africa....	Agency.

## PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

### From Montreal

*To Liverpool.*—Duchess of Bedford, Sept. 4; Duchess of Richmond, Sept. 12; Duchess of York, Sept. 18—all Canadian Pacific; Antonia, Sept. 11; Andania, Sept. 25—both Cunard-White Star Line.

*To London.*—Beaverburn, Sept. 4; Beaverhill, Sept. 11; Beaverford, Sept. 18—all Canadian Pacific; Alaunia, Sept. 4; Ascania, Sept. 11; Aurania, Sept. 18—all Cunard-White Star Line.

*To Manchester.*—Manchester Regiment, Sept. 3; Manchester Citizen, Sept. 10; Manchester Port, Sept. 17—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Dakotian, Cunard-Donaldson and Dominion Lines, Sept. 9.

*To Southampton.*—Montcalm, Canadian Pacific, Sept. 11.

*To Cardiff, Bristol and Swansea.*—Boston City, Aug. 31; New York City, Sept. 18, both Bristol City Line.

*To Glasgow.*—Letitia, Sept. 4; Airthria, Sept. 11; Athenia, Sept. 18—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnross, Sept. 3; Cairnesk (calls at Dundee), Sept. 24—both Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kelso, Ellerman's Wilson Line, Sept. 18.

*To Dublin and Belfast.*—Kenbane Head, Sept. 10; Melmore Head, Sept. 17—both Head Line (cargo accepted for Londonderry and Cork).

*To Antwerp and Havre.*—Brant County, Sept. 3; Columbia, Sept. 19—both County Line; Beaverburn, Sept. 4; Beaverford, Sept. 18—both Canadian Pacific (do not call at Havre).

*To Rotterdam.*—Hada County, Sept. 8; Kings County, Sept. 27—both County Line.

*To Hamburg.*—Hagen (calls at Bremen), Hamburg-America Line, Sept. 4; Beaverhill, Canadian Pacific, Sept. 11.

*To Copenhagen, Gothenburg and Baltic Ports.*—Braheholm, Swedish-America-Mexico Line, Sept. 11.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Olympia, Gardiaz Line, Sept. 16.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Olmo, Capo Line, Sept. 22.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Belle Isle, Newfoundland-Canada SS. Co., Sept. 11 and 25.

*To Cornerbrook, Nfld.*—New Northland, Aug. 31; North Voyageur, Sept. 9—both Clarke SS. Co.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Cornwallis, Sept. 3; Colborne, Sept. 17 (calls at St. Georges, Bermuda)—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Lady Rodney, Sept. 2; Cavelier (does not call at Hamilton or Nassau), Sept. 11—both Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion SS. Corp., Sept. 12.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Canadian Cruiser, Montreal Australia New Zealand Line, Sept. 28.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Benholm, Montreal Australia New Zealand Line, Sept. 21.

*To Manila, Hongkong, Shanghai, Yokohama, and Dairen.*—City of Salisbury, Canada Far East Line, Sept. 30.

*To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.*—Cochrane, Elder Dempster Lines Ltd., Sept. 27.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Worcester, Sept. 12; City of Oran, Sept. 28—both Ellerman & Bucknall SS. Co.

*To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—Kota Pinang, Java-New York Line, Sept. 14.

*To Colombia, Ecuador, Peru, and Chile.*—A steamer, Canadian National, monthly.

*To Santos and Buenos Aires.*—Romsdalshorn, International Freighting Corp., Sept. 12; Nordkap (calls at Montevideo but not at Santos), Canada South America Line, Sept. 15.

### From Quebec

*To Southampton.*—Empress of Australia, Sept. 3; Empress of Britain, Sept. 12—both Canadian Pacific.

### From Halifax

*To Liverpool.*—Newfoundland, Sept. 5; Nova Scotia, Sept. 22—both Furness Line.

*To London and Hamburg.*—Waukegan (calls at Hull, Leith and Dundee), American Hampton Roads, Sept. 3.

*To Manchester.*—Manchester Exporter, Sept. 14; Manchester Hero, Oct. 3—both Manchester Line.

*To Copenhagen and Baltic Ports.*—Batory (calls at Gdynia), Gdynia-America Line, Sept. 11.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Amherst, Aug. 31; Fort Townsend, Sept. 7—both Furness-Red Cross Line; Kongshaug, Newfoundland-Canada SS. Ltd., Sept. 7 and 21; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Sept. 9; Newfoundland (does not call at St. Pierre), Furness Line, Sept. 5.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, Sept. 10; Lady Nelson, Sept. 24—both Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion Line, Sept. 4 and 17.

*To Santiago (Cuba) and Kingston (Jamaica).*—Kirsten B., Sept. 9; Ciss, Sept. 23—both Pickford & Black Ltd.

*To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Cornwallis, Sept. 7; Colborne (calls at St. Georges, Bermuda), Sept. 21—both Canadian National.

*To Kingston (Jamaica) and Belize (British Honduras).*—Cavelier, Canadian National, Sept. 14.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Silverlarch, Sept. 5; Japanese Prince, Sept. 12; Chinese Prince, Sept. 26—all Silver-Prince Line.

### From Saint John

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, Sept. 2; Lady Nelson, Sept. 16—both Canadian National.

*To Kingston and Jamaican Outports.*—Harboe Jensen, Aug. 28; Crawford Ellis, Sept. 4—both United Fruit Line.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—City of Johannesburg, American and Indian Line, Aug. 28.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Heian Maru, Sept. 12; Hikawa Maru, Sept. 29—both Nippon Yusen Kaisha; Koshin Maru (does not call at Kobe), Empire Shipping Co., Sept. 12.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Russia (calls Nagasaki), Sept. 5; Empress of Japan (calls Honolulu), Sept. 19; Empress of Asia (calls Nagasaki), Oct. 3; Empress of Canada (calls Honolulu), Oct. 17—all Canadian Pacific; Tyndareus, Sept. 27; Ixion, Oct. 25—both Blue Funnel Line (call at Milke but not at Manila).

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Kota Agoeng, Aug. 31; Bintang, Sept. 30—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Aorangi, Sept. 9; Niagara, Oct. 7—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Cloud, Oceanic and Oriental Navigation Co., Sept. 15 (calls at Lyttelton and Dunedin if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Hauraki, Canadian-Australasian Line, Sept. 15.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Skagern, Empire Shipping Co., Oct. 10.

*To Sydney, Melbourne and Adelaide.*—Harmanteh August-September; a steamer, September—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Lochgoil, Sept. 5; Delftdyk (calls at Glasgow), Sept. 19; Lochkatrine, Oct. 3; Lochmonar, Oct. 17—all Holland-America Line.

*To London, Liverpool and Cardiff.*—Tacoma City, Sept. 2; Devon City, Sept. 12—both Reardon Smith Line.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., September.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—Oregon, Empire Shipping Co., Sept. 12.

*To Scandinavian Ports.*—Balboa, Sept. 12; Margaret Johnson, Sept. 22—both Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Feltre, Empire Shipping Co., Sept. 12.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., September.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Manoeran, Sept. 5; Salawati, Sept. 8; Silverwillow, Oct. 5—all Silver-Java Pacific Line.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Brandanger, Sept. 22; Evanger, Oct. 27—both Empire Shipping Co.

*To Puerto Colombia, Kingston and Tampico.*—A steamer, Gulf Pacific Mail Line Ltd., September.

### From New Westminster

*To London and Liverpool.*—Modavia (calls at Glasgow), Balfour Guthrie & Co., Sept. 4; Pacific Pioneer (calls at Glasgow and Manchester), Furness Line Ltd., Sept. 10; Lochgoil (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., Sept. 10; Steel Exporter (calls at Avonmouth), B. W. Greer & Son Ltd., Sept. 12; Devon City, Reardon Smith Line Ltd., Sept. 12; Benjamin Franklin (calls at Hull and Oslo), Anglo-Canadian Shipping Co., Sept. 16.

*To United Kingdom Ports.*—Bessemer City, B. W. Greer & Son Ltd., Sept. 1; Stirling, Anglo-Canadian Shipping Co., Sept. 7; Europa (calls at Continental ports), B. L. Johnson Walton Co., Sept. 12; Tudor Star (calls at Continental ports), American Mail Line Ltd., Sept. 18.

*To Antwerp.*—Artemesia, Anglo-Canadian Shipping Co., Sept. 5.

*To Brisbane, Sydney, Newcastle, Melbourne and Adelaide.*—Skagrun, Empire Shipping Co., Oct. 5.

*To Yokohama, Kobe, Mûke, Shanghai and Hongkong.*—Tyndareus, Dodwell & Co., Sept. 13.

*To Japanese Ports.*—Steel Ranger, B. W. Greer & Son Ltd., Sept. 15.

*To South African Ports.*—Salawati, Sept. 5; Silverwillow, Oct. 1—both Dingwall Cotts & Co.

*To Hawaiian Islands.*—Harfas, Anglo-Canadian Shipping Co., Sept. 5.

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

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## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

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Annual Report of the Board of Grain Commissioners for Canada. (Price 25 cents.)  
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Annual Report of Dominion Grain Research Laboratory. (Price 10 cents.)  
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### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

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Commercial Intelligence Journal weekly (in English and French), containing Reports of Trade Commissioners and other Commercial Information. Annual Subscription: In Canada, \$1; single copies, 5 cents. Outside Canada, \$3.50; single copies, 10 cents.

Australian Market for Fish Products (1931).

Canadian Export Timbers.

French-Canadian Homespun Industry.

Greece as a Market (1931).

Invoice Requirements: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.

Map of the World showing Trade Routes. (1930 Edition.)

Markets of Central America (1929).

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Switzerland as a Market (1929).

Trade of the African Sub-Continent (1928).

Trade Possibilities of the Baltic States (1929).

Trading with Colombia and Venezuela (1928).

Jugoslavia as a Market (1930).

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics: Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry mining, construction and manufactures; Vital: births, deaths, marriages, divorces.

Canada, 1936. (Price 25 cents.)

Canada Year Book. (Price \$1.50).

Report of the Dominion Statistician, Annual. (Price 10 cents.)

Trade (External), (Imports and Exports)—Annual Reports: Fiscal Year (price \$3), Calendar Year (price 50 cents); Quarterly Report (price \$2 per annum); Monthly Report (price \$1 per annum.)

Trade (Internal), Prices, cost of living, capital movements, etc. (Price 50c. per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

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J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

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### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, Northern Sumatra, and Netherlands India.) *Cable address, Canadian.*

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### Germany

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## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

*Tokyo*: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

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*Johannesburg*: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

### United Kingdom

*London*: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London*: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London*: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfracom.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London*: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool*: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol*: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow*: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City*: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



# COMMERCIAL INTELLIGENCE JOURNAL

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No. 1701



Douglas Fir Lumber transhipped at the Canal Zone  
for Panama.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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# COMMERCIAL INTELLIGENCE JOURNAL

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**Vol. LV**                      **Ottawa, September 5, 1936**                      **No. 1701**

## TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in Canada in the interest of Canadian trade with their respective territories: Mr. Frederick Palmer, Bristol (whose territory includes the West of England, South Wales and South Midlands); Mr. Hercule Barré, Paris (whose territory includes the French colonies in North Africa); Mr. L. M. Cosgrave, Melbourne; and Mr. M. B. Palmer, Mexico City (whose territory includes Guatemala, Honduras, and Salvador).

Their itineraries are as follows:—

### Mr. Frederick Palmer

Guelph . . . . . Sept. 8                      Newmarket . . . . . Sept. 9

### Mr. Barré

Winnipeg . . . . .	Sept. 2	Kitchener . . . . .	Sept. 22
Calgary . . . . .	Sept. 4	Guelph . . . . .	Sept. 23
Edmonton . . . . .	Sept. 5	Brantford . . . . .	Sept. 24
Vancouver . . . . .	Sept. 8 to 16	Hamilton . . . . .	Sept. 25 and 26
London, Woodstock . . . . .	Sept. 21	Toronto . . . . .	Sept. 28 to Oct. 3

### Mr. Cosgrave

Winnipeg . . . . .	Sept. 7	Edmonton . . . . .	Sept. 11
Portage la Prairie . . . . .	Sept. 8	New Westminster . . . . .	Sept. 14 and 15
Regina . . . . .	Sept. 9	Victoria . . . . .	Oct. 1 to 3
Calgary . . . . .	Sept. 10	Vancouver . . . . .	Oct. 4 to Nov. 3

### Mr. M. B. Palmer

New Westminster, Vancouver and Victoria . . . . . Sept. 7 to 12

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Winnipeg, Edmonton, Vancouver, and Victoria, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## JAPANESE SALMON PACK, 1936

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, August 10, 1936.—The fishing and packing operations in Kamchatka waters by the Nichiro Fishing Company and its subsidiary, the Taiheiyo Fishing Company, to August 10 have been favoured with ideal conditions, resulting in an increase of 25 per cent in the total pack of Japanese canned salmon when compared with the same period of 1935. Due mainly to a controlled catch as a result of stocks of last year's pack being on hand, pinks declined by 3·4 per cent; on the other hand, the production of reds increased by 90 per cent, silvers by 78·9 per cent, and kings by 10·2 per cent.

The catch of salmon and salmon trout in the Kamchatka area up to August 10 is given in the following statement:—

	Nichiro	Taiheiyo	Total
	Figures in 1,000 Pieces		
Pinks.. . . . .	30,311	1,740	32,051
Chums.. . . . .	17,118	3,549	20,667
Reds.. . . . .	4,867	3,944	8,811
Silvers.. . . . .	308	401	709
Kings.. . . . .	88	1	89
Other.. . . . .	135	....	135
Total.. . . . .	52,827	9,635	62,462

Canned salmon to the extent of 1,235,353 cases has been produced by these two leading concerns operating off the Kamchatka coast during the period under review, detailed figures of which are contained in the appended table. For purposes of comparison the 1935 pack to August 10 is also given.

		Nichiro	Taiheiyo	Total
Pinks	1935.. . . . .	555,749	119,753	675,502
	1936.. . . . .	602,782	45,773	648,555
Reds	1935.. . . . .	169,788	112,935	282,723
	1936.. . . . .	296,487	243,297	539,784
Silvers	1935.. . . . .	2,989	17,330	20,319
	1936.. . . . .	12,780	23,574	36,354
Kings	1935.. . . . .	7,932	580	8,512
	1936.. . . . .	9,091	288	9,379
Chums	1935.. . . . .	....	3,237	3,237
	1936.. . . . .	....	....	....
Others	1935.. . . . .	....	....	....
	1936.. . . . .	1,281	....	1,281
Total	1935.. . . . .	736,458	253,835	990,293
	1936.. . . . .	922,421	312,932	1,235,353

## AUTOMOBILE INDUSTRY CONTROL IN JAPAN

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

Tokyo, July 20, 1936.—With the view of promoting a national motor car industry in Japan, a Bill was presented and passed by the Imperial Diet on May 28 last, with slight amendments to the report made of it in *Commercial Intelligence Journal* No. 1650 (September 14, 1935), page 448. This Bill thus became the Automobile Industry Law and was promulgated on May 29, 1935. This law was enforced from July 11, as it has now received Imperial assent. The net effect of the law will be to retain the industrial and military advantages of the Ford and General Motors plants in Japan, at the same time making certain that all normal future growth and expansion will go to their Japanese competitors.

The main provisions of the new law, which were summarized in *Commercial Intelligence Journal* No. 1698 (August 15), are the following:—

(1) The manufacture or assembling of motor cars or motor car parts is subject to a licence granted by the Government. Small manufacturers are exempted—i.e. those said to produce less than 3,000 cars a year, although regulations implementing the law are not yet published.

(2) Companies to whom licences are granted must be joint-stock companies of which the majority of shares or rights are vested in Japanese subjects or Japanese juridical persons.

(3) Licensed companies are exempt from income taxes and business profit taxes for a period of five years.

(4) Imports of machinery, tools, and materials necessary for the industry are free of duty, when such imports are permitted by the Government.

(5) Authorized companies are empowered to issue debentures to the amount of twice their paid-up capital.

(6) The Government may, if necessary, restrict imports of motor cars and motor car parts, or impose an additional duty not exceeding 50 per cent ad valorem.

(7) The Government is authorized to issue instructions to licensed companies concerning supervision such as monthly reports, etc., and also instructions with respect to military affairs.

(8) Any company engaged in automobile manufacture prior to August 9, 1935, may continue in operation on the scale of its output on or before that date.

This law means therefore that the motor-car industry in Japan is to be brought under complete governmental supervision. The major producing units—the Ford Motor Company of Japan Limited and the General Motors Japan Limited—which produce most of the 25,000 to 30,000 cars supplied to Japan annually, fall under the provisions of this new law.

According to the law, these companies may continue to operate as previously, but may not expand beyond the scale of operations on or before August 9, 1935, when the Government announced its intention of passing such a law. They will have to report on their production, their manufacturing and their assembling equipment within two months of the enforcement of the law.

It can be seen from the above that the new measure is designed to protect and to encourage the development of the automobile industry in Japanese hands, and to endeavour to make the country eventually self-sufficient in the supply of motor cars, especially in view of the growth of this industry and its importance to national defence and to the general industrial development.

An immediate effect of the new law that has been reported is the decision of the Nissan Automobile Company, manufacturers of the Datsun car, to enlarge their manufacturing plant capacity to 12,000 cars annually and, what is more noteworthy, to erect a factory capable of turning out 6,000 standardized cars a year of the Ford and Chevrolet type—the actual capacity to be eventually increased to 20,000 a year.

As the above decision follows upon the breakdown in the negotiations between the Nissan Automobile Company and the General Motors of Japan, Limited, to co-operate in the manufacture of motor cars in Japan, and as the above plans, should they materialize, would place local manufacturers in a position to cater to the market's requirements of nearly 30,000 cars a year, further developments will be interesting.

## JAPANESE DYESTUFF INDUSTRY<sup>1</sup>

R. S. O'MEARA, CANADIAN TRADE COMMISSIONER

Kobe, July 13, 1936.—Industrial production of synthetic dyestuffs was started in Japan about 1914, but since that time there has been a gradual but in some ways rather remarkable progress of the industry, which has been fostered by Government assistance.

In 1934, the latest year for which figures are available, the total output came from forty-eight factories throughout the Empire, but the industry is really concentrated in the hands of three or four large producers.

In 1934 the total production was 17,116 metric tons compared with 7,780 metric tons in 1930, and the number of colours increased from 118 to 228 in the same period. Sulphide colours account for nearly 75 per cent of the production noted for 1934, but there has been a correspondingly more rapid increase in production of colours other than sulphide dyes, mainly due to the great increase of artificial indigo.

<sup>1</sup> Compiled from information furnished through the courtesy of the Mitsubishi Economic Research Bureau.

## EXPORT TRADE

Figures for the year 1935 show exports of synthetic dyestuffs from Japan to a total of 8,883 metric tons, but as the production figures for that year are not available, it is probably better to compare the export total for 1934 of 6,421 metric tons with the total production to form an estimate of the extent to which Japan has become an exporter of these products. The principal consumer of Japanese dyestuffs is China.

## IMPORT TRADE

Japan is still forced to import high-grade dyestuffs where local production is either not feasible or else not economical due to small demand. Germany ranks first among suppliers for such high-grade dyestuffs; Switzerland and the United States are other important suppliers. There is no evidence of attempts on the part of Canadian producers to enter the market. Imports of synthetic dyestuffs into Japan from the principal sources of supply for the years 1930 and 1935 were as follows:—

	1930 Metric Tons	1935 Metric Tons
Total.. . . . .	1,545	1,257
Great Britain.. . . . .	8	5
France.. . . . .	39	39
Germany.. . . . .	585	845
Italy.. . . . .	58	5
Switzerland.. . . . .	381	157
United States.. . . . .	473	206

## CENTRAL CHINA BUTTER MARKET

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

Shanghai, August 8, 1936.—It is over five years since Canadian butter has come to this market, at least in anything more than insignificant quantities. Recently, however, due to the rise in Australian prices, Shanghai importers have expressed an interest in Canadian quotations and one local distributor has received a shipment of 350 cases (of 56 pounds) from Vancouver.

Accordingly, the following is a brief review of current conditions in the Shanghai market for the information of those firms who may find themselves in a position to quote to it.

## PRICES

Australian butter has dominated the China market for so long now that its price is the controlling one. In each of the full years 1934 and 1935 imports from Australia constituted roughly 85 per cent of total imports. The latest quotations have ranged from 120s. to 122s. (English sterling) per 112 pounds, c.i.f. Shanghai. One importer indicated that information received by him suggested that these prices were not likely to weaken for six months at least.

## IMPORTS

The following table shows the imports of butter into all China by countries of origin and by chief ports of entry for the calendar years 1934 and 1935 and for the first six months of 1936.

The figures for Great Britain may cover in reality Danish butter, while those for Hongkong refer to Antipodean supplies with possibly small amounts of Canadian, American or Japanese butter included.

The dominance of Australia as a supplier and of Shanghai as a buyer is clearly shown by the figures.

*Imports of Butter into China*

	1934		1935		Jan.-June, 1936	
	Lbs.	Can. \$	Lbs.	Can. \$	Lbs.	Can. \$
Total.. . . . .	1,641,000	360,700	1,761,000	362,300	514,000	114,000
Australia.. . . . .	1,429,000		1,483,000		339,000	
Canada.. . . . .	.....		22,200		..... <sup>1</sup>	
Great Britain.. . . .	12,100		18,700		..... <sup>1</sup>	
Hongkong.. . . . .	42,400		12,500		22,000	
Japan.. . . . .	21,100		83,000		..... <sup>1</sup>	
New Zealand.. . . .	110,200		85,000		34,100	
United States.. . . .	12,500		39,800		5,800	
Other countries.. . . .	13,600 <sup>1</sup>		13,100 <sup>1</sup>		112,000	

*Imports by Principal Ports*

	Lbs.	Lbs.	Lbs.
Tientsin.. . . . .	140,400	133,300	..... <sup>2</sup>
Shanghai.. . . . .	1,447,000	1,604,000	474,200
Canton.. . . . .	11,600	10,100	..... <sup>2</sup>

<sup>1</sup> In the Customs statistics for the half-year Canada, Great Britain and Japan are included under "other countries."

<sup>2</sup> Not available at time of writing.

The 22,200 pounds shown above for Canada in 1935 probably represent New Zealand or Australian butter transhipped at Vancouver or possibly at Honolulu to C.P.R. vessels for carriage to Shanghai.

*IS CHINA'S BUTTER CONSUMPTION INCREASING?*

This is a question which is frequently asked. The answer would seem to be yes, but slowly. Total annual imports since 1927 have been as follows: 1927, 1,529,000 pounds; 1928, 1,945,000 pounds; 1929, 1,400,000 pounds; 1930, 1,425,000 pounds; 1931, 1,434,000 pounds; 1932, 1,423,000 pounds; 1933, 1,547,000 pounds; 1934, 1,641,000 pounds; 1935, 1,760,000 pounds. The nine-year average is 1,567,000 pounds. The ten-year average up to and including 1931 was larger than this, 1,597,000 pounds, but since 1932 the imports into Manchuria have not been included in the Chinese customs statistics.

Imports increased steadily from 1932 up to the end of 1935, but during the first half of the current year they have fallen off badly, being only 514,000 pounds as against 1,067,000 pounds in the first six months of 1935.

*REASONS FOR DECLINE IN 1936*

It is not wholly safe to draw conclusions from a half-year period because the large Shanghai importers often take a view of the world market and place heavy orders at one time. All have their own cold storage facilities. However, the decline is so marked that other factors are undoubtedly responsible. The most important of these is the depressed economic condition which has prevailed in Shanghai for the past eighteen months. The cumulative effects have finally discouraged the marginal consumers of imported butter altogether and caused the other buyers to economize their consumption.

By far the greater part of the imported supply (perhaps as much as 85 per cent) is used by the foreign population. The marginal consumers consist of the Russian community, whose purchasing power is very low, and of those Chinese educated abroad and who became accustomed there to the use of butter. The great mass of the Chinese do not and have never used butter, nor for that matter any other dairy products. The latter situation is changing slowly, however, especially around the main treaty ports. More and more of the Chinese population are beginning to appreciate the value of milk products. One indication of this has been the greater interest in the import of dairy cattle and the increased production of milk by Chinese dairy farms.

## THREE ADVERSE FACTORS

There is still no production of any importance of butter in Central China, but at the cities of Hangchow and Wenchow butter is now being produced from buffalo cows and over 10,000 pounds per month of this type is said to be now coming to the Shanghai market. This butter has an odour quite different from imported butter, although its fat content is said to be high. It wholesales for approximately Chinese \$1.10 (Chinese dollar equals about 30 cents Canadian) per pound as compared with a wholesale price for imported butter at the present time of around \$1.53 per pound. This appreciable difference in price has been sufficient to attract many of the Russian and Chinese buyers.

Another factor adverse to the sale of imported butter is the presence of three margarine factories now in Shanghai. Until recently this competition was not serious, and this product is probably still not used to any important extent by the foreign community, apart from Russians. Nevertheless, it does affect the marginal users.

The serious drop in the value of the Chinese dollar in terms of foreign currencies which took place in the autumn of 1935 provides another explanation for the drop in imports so far this year. The Shanghai market has always been sensitive to price changes caused by exchange fluctuations. However, as the Chinese dollar was stabilized last November in terms of sterling and United States dollars, the chief direct influence will now be the price changes in the supplying markets such as Australia and New Zealand.

## DISTRIBUTION

Distribution in Central China was, and is still to a large extent, controlled by three old-established and experienced firms—two British and one American. However, another large British company has recently entered the field. In addition, there are a number of smaller firms who import, and in some cases retail themselves, considerable quantities of Japanese, Danish, and New Zealand butter. The larger firms referred to which control the bulk of the trade have each their own cold storage facilities, butter-cutting and wrapping equipment, and complete delivery systems. All of them advertise their own brands consistently.

## TERMS

The leading buyers place practically all their orders by cable, and the supplier draws upon them when shipment is made, letters of credit being seldom, if ever, furnished. Credits granted to retailers range from 30 to 60 days, 45 days being the average period.

## DUTY

The duty on imported butter has been increased several times in the last ten years. It is now 44 gold units per 100 kilograms (including the weight of the immediate packing) plus a surtax of 10 per cent and a conservancy charge of 4 per cent of the amount of the duty payable. As the gold unit is worth approximately Canadian \$0.67½, the total customs charges amount roughly to 15½ cents Canadian per pound, or about 52 cents Chinese per pound. The duty is therefore an appreciable part of the wholesale price, which is currently around Chinese \$1.53 per pound.

## PREVIOUS POSITION OF CANADIAN BUTTER

Before touching on the present outlook for Canadian butter in this market, it may be of interest to note what position the Dominion has held in the past. In tabular form below are shown Canada's annual exports in round figures to

all China from 1922 to 1936 (Dominion Bureau of Statistics, Canadian fiscal years). It can be safely assumed that at least 85 per cent of the quantities given came to Shanghai or were handled by importers here.

	Pounds	Can. \$		Pounds	Can. \$
1922.. . . . .	61,600	21,000	1929.. . . . .	6,500	2,600
1923.. . . . .	206,500	78,000	1930.. . . . .	6,100	2,500
1924.. . . . .	363,900	123,000	1931.. . . . .	39,000	9,300
1925.. . . . .	281,500	100,000	1932.. . . . .	400	116
1926.. . . . .	294,500	119,000	1933.. . . . .	1,100	205
1927.. . . . .	246,000	90,000	1934.. . . . .	100	26
1928.. . . . .	132,700	47,000	1935.. . . . .	100	43

### OUTLOOK FOR CANADIAN BUTTER

It is difficult to draw any conclusion with respect to the market for any commodity in China, but, bearing that in mind, it would seem that Canadian producers would be justified at present in making an effort to re-enter this market, whose purchases range from Canadian \$300,000 to Canadian \$500,000 per annum.

The fact that the Canadian type has been off the market for so long will make its re-entry more difficult. For example, this office interviewed the importer mentioned earlier who brought in the recent shipment from Vancouver with a view to learning the market reaction to it. The local firm reported that its flavour was so different from that of the Australian which they had been using that they could not risk marketing it under their advertised brands, to which their clientele had become accustomed. The chief criticism seemed to be that, while analysis showed the salt content to be the same in both butters, in the case of the Canadian the salt taste was much more pronounced.

However, if the prices of Canadian butter are competitive, and if there is some indication that they will remain so for a substantial period, local importers might well be induced to bring it in once more, distributing it if necessary under a special brand.

In view of this, it is suggested that, for the time being at least, whenever Canadian producers think their prices may be competitive, they cable them at once to this office, which will place them immediately before the leading buyers. This may assist in overcoming the natural lack of interest arising from the fact that Canada has been out of the market for so long

## IMPORT TRADE OF HONGKONG IN 1935

### Canada's Participation

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

Hongkong, July 15, 1936.—Imports into Hongkong from Canada in 1935 amounted to U.S.\$1,904,000 as against U.S.\$1,732,000 in 1934, an increase of U.S.\$172,000 or 9 per cent.

Taking into consideration the dull conditions prevailing in the import trade of Hongkong during 1935 and the difficulties with which local importers were faced during this period, Canada's participation, particularly on the basis of a comparison with former years, may be considered satisfactory.

The following table gives the principal items imported into Hongkong from Canada, together with values in United States dollars, during the calendar years 1935 and 1934:—

Commodity	1935 U.S. \$	1934 U.S. \$
Wheat flour.. . . . .	778,944	684,874
Printing paper.. . . . .	296,366	200,664
Sulphate of ammonia.. . . . .	148,200	.....
Motor cars.. . . . .	112,508	229,372
Fish and fishery products.. . . . .	102,735	144,550

PRINCIPAL IMPORTS INTO HONGKONG FROM CANADA—*Concluded*

Commodity	1935 U.S.\$	1934 U.S.\$
Motor lorries (chassis) . . . . .	47,893	5,008
Softwoods . . . . .	42,033	35,381
Electrical machinery . . . . .	39,472	.....
Building materials . . . . .	38,457	3,732
Pig lead . . . . .	38,078	50,575
Condensed milk . . . . .	23,458	21,895
American pine . . . . .	16,247	44,677
Upper leather . . . . .	16,155	24,024
Fodder . . . . .	13,728	21,920
Miscellaneous foodstuffs . . . . .	15,271	4,018
Bars . . . . .	13,037	1,066
Vermicelli . . . . .	8,937	5,274
Cattle . . . . .	8,218	11,904
Sole leather . . . . .	8,028	6,709
Tinned meat and fish . . . . .	6,612	4,867
Oatmeal . . . . .	6,085	10,361
Tinned vegetables . . . . .	6,450	4,837
Grains n.o.p. . . . .	6,056	.....
Timber . . . . .	5,895	2,598
Paints . . . . .	5,881	10,565
Iron and steel tubes . . . . .	5,772	92,811
Agar agar . . . . .	4,508	2,625
Barley . . . . .	4,360	4,713
Zinc and spelter . . . . .	3,799	7,653
Motor lorries . . . . .	3,730	.....
Fresh fish . . . . .	3,571	1,012
Spirits . . . . .	3,539	5,073
Motor car chassis . . . . .	2,414	2,360
Manufactured rubber . . . . .	2,259	512
Staves . . . . .	1,724	.....
Household stoves . . . . .	1,166	.....
Tube fittings . . . . .	807	.....
Tinned and bottled fruits . . . . .	3,515	.....
Fruits (all kinds) . . . . .	2,310	11,332
Butter . . . . .	2,995	12,026

## NOTES ON PRINCIPAL IMPORTS FROM CANADA

## WHEAT FLOUR

Flour imports into Hongkong for the year 1935 amounted to 1,468,493 piculs (133½ pounds) valued at U.S.\$3,585,990 compared with 1,098,008 piculs valued at U.S.\$2,515,057 in 1934, an increase in quantity of 33 per cent and in value of 42 per cent.

Australia's share, representing 68 per cent of the total quantity of flour imported into Hongkong and 63 per cent of its value, was 1,007,839 piculs (U.S.\$2,-277,087) as against 480,663 piculs (U.S.\$993,374) in 1934.

Imports from Canada were recorded at 260,016 piculs (U.S.\$778,944) as against 266,658 piculs (U.S.\$684,874) in 1934, the figures for 1935 representing 18 per cent of the total quantity of flour imported and 21 per cent of its value.

The United States was credited with 116,168 piculs (U.S.\$305,701) as against 294,025 piculs (U.S.\$712,269) in 1934, the figures for 1935 representing 8 per cent of both the total quantity of flour imported and of its value.

North China's share, representing 5 per cent of the total quantity of flour imported into Hongkong and 6 per cent of its value, was 78,626 piculs (U.S.\$209,231) as against 34,285 piculs (U.S.\$121,638).

From the foregoing figures it will be seen that in 1935 imports of Australian flour showed an increase of 104 per cent in quantity and 129 per cent in value over the figures for 1934; Canada's share by volume decreased by 2 per cent but increased in value by 13 per cent. A drastic decline is shown in imports from the United States—decreases in both quantity and value of 60 per cent and 57 per cent respectively; while North China increased her share in both quantity and value by 44 per cent and 72 per cent respectively.

## NEWSPRINT

The total value of newsprint imported into Hongkong in 1935 was U.S.\$1,465,660 as against U.S.\$1,192,761 in 1934—an increase of U.S.\$272,899 or 23 per cent.

Norway was the principal supplier with U.S.\$309,329 or 21 per cent of total imports, as compared with U.S.\$101,381 or 9 per cent in 1934. Canada again held second position with U.S.\$296,366 or 20 per cent of total imports as compared with U.S.\$200,663 or 17 per cent in 1934. Germany was next in importance with U.S.\$271,436 or 18 per cent of total imports as compared with U.S.\$129,626 or 11 per cent in 1934. Imports from Japan, which held first position in 1934, amounted to U.S.\$165,610 or 11 per cent of the total imports as against U.S.\$346,857 or 28 per cent in 1934. Sweden was credited with U.S.\$142,716 or 9 per cent of total imports as against U.S.\$162,774 or 13 per cent in 1934.

## SULPHATE OF AMMONIA

Imports of sulphate of ammonia into Hongkong for the year 1935 were 611,704 piculs (133½ pounds) valued at U.S.\$1,523,483 as compared with 314,618 piculs worth U.S.\$687,447 in 1934, an increase in quantity of 94 per cent and in value of 121 per cent.

Germany was the principal supplier with 338,778 piculs (U.S.\$952,173) as against 49,452 piculs (U.S.\$133,039) in 1934. Imports from the United Kingdom amounted to 76,404 piculs (U.S.\$115,444) as compared with 120,368 piculs (U.S.\$331,612). North China contributed 74,955 piculs (U.S.\$146,621) as against 72,797 piculs (U.S.\$140,637) in 1934. Holland was credited with 50,400 piculs (U.S.\$101,215) as against 50,400 piculs (U.S.\$134,242).

Canada's share was 42,900 piculs (U.S.\$148,200) as compared with no imports during 1934, but during that time importers were disposing of surplus stocks accumulated during 1933. It is estimated that the annual local consumption of Canadian sulphate of ammonia is in the vicinity of 40,000 piculs.

## MOTOR CARS

In 1935 the total number of motor cars imported into Hongkong was 689 (U.S.\$524,744) as compared with 726 (U.S.\$586,744) in 1934.

The United Kingdom was the principal supplier with 337 (U.S.\$140,383) as against 220 (U.S.\$190,760) for 1934. The United States contributed 170 (U.S.\$250,710) as against 123 (U.S.\$103,629). Canada was third in importance with a total of 159 (U.S.\$112,508) as compared with 326 (U.S.\$229,372) in 1934.

## MOTOR LORRIES

There were 546 motor lorries (chassis) (U.S.\$416,404) imported into Hongkong during 1935 as compared with 190 (U.S.\$169,775) in 1934.

The United States was credited with 345 (U.S.\$201,420) as against 131 (U.S.\$100,467); Canada with 87 (U.S.\$514,625) as against 10 (U.S.\$4,969); the United Kingdom with 37 (U.S.\$629,886) as against 21 (U.S.\$53,113), and Japan with 22 (U.S.\$11,706) as against no imports in 1934.

## LUMBER

The following tables covering imports of timber, American pine and softwoods have been compiled from the Hongkong Government official returns, and give imports by countries for the years 1935 and 1934.

No statistical records are available covering quantities of timber imported into Hongkong, and it has therefore only been possible to provide values by

countries under this particular heading. In the cases of both American pine and softwoods, however, quantities are given in cubic feet.

Timber	1935		1934	
	U.S. \$		U.S. \$	
British North Borneo.. . . .	127,438		16,592	
Siam.. . . .	122,332		141,700	
South China.. . . .	88,109		56,018	
French Indo-China.. . . .	87,608		72,232	
Malaya.. . . .	42,066		19,206	
United States.. . . .	18,422		5,257	
Canada.. . . .	5,695		2,598	
Others.. . . .	26,803		27,523	
	518,753		341,126	

American Pine	1935		1934	
	Cu. Ft.	U.S. \$	Cu. Ft.	U.S. \$
United States.. . . .	847,360	211,297	684,591	160,819
Canada.. . . .	63,669	16,247	154,154	44,677
	911,029	227,544	838,745	205,496

Softwoods	1935		1934	
	Cu. Ft.	U.S. \$	Cu. Ft.	U.S. \$
United States.. . . .	236,088	72,431	283,836	63,048
Canada.. . . .	222,542	53,684	160,070	35,381
South China.. . . .	98,858	30,827	141,537	41,593
B. N. Borneo.. . . .	79,966	17,870	49,729	12,503
N. E. Indies.. . . .	53,361	7,177	.....	.....
Other.. . . .	7,831	3,206	11,635	4,591
	718,646	185,195	646,807	157,116

### *Imports of Canadian Lumber*

Timber.. . . .	1935	1934
	U.S. \$	U.S. \$
American pine.. . . .	5,895	2,598
Softwoods.. . . .	16,247	44,677
	53,684	35,381
	75,826	82,656

From the foregoing figures it will be seen that the combined totals of timber, American pine, and softwoods amounted to U.S.\$931,492 during 1935 as compared with U.S.\$703,698 for the previous year, an increase of U.S.\$227,794 or 32 per cent.

Total imports of Canadian lumber amounted to U.S.\$75,826 during 1935 as against U.S.\$82,656 in 1934, a decrease of U.S.\$6,830 or 7 per cent.

The only heading under which Canada showed an increase was softwoods, with U.S.\$53,684 as against U.S.\$35,381, an increase of U.S.\$18,303 or 31 per cent. This improvement is probably the result of the regular orders placed by local importers for birch and cottonwood logs.

### ELECTRICAL MACHINERY

In previous years there have been no imports of any consequence from Canada under this classification, and it is therefore interesting to note that imports to a value of U.S.\$39,472 were recorded during 1935. No information as to the composition of these imports is available.

### BUILDING MATERIALS

The figures covering the importation of building materials into Hongkong during 1935 show shipments to a value of U.S.\$38,437 as coming from Canada as compared with U.S.\$3,372 in 1934.

It is impossible to secure data regarding the exact nature of the Canadian items included in this classification, but indications are that the figure for 1935 represents, for the greater part, importations of lavatory fittings, drain pipes, and piping and sanitaryware.

## PIG LEAD

For the year 1935 imports of pig lead into Hongkong were recorded at 19,383 piculs (133½ pounds) (U.S.\$78,323) as against 38,492 piculs (U.S.\$131,503) in 1934, a decrease in quantity of 49 per cent and in value of 67 per cent.

Canada was the principal supplier with 8,961 piculs (U.S.\$38,078) as compared with 15,764 piculs (U.S.\$50,575) in 1934. Although on the basis of volume and value Canada's trade in this commodity shows an appreciable decrease in 1935, it will be noted that her share amounted to 47 per cent of the total quantity imported and 48 per cent of the total value, whereas the corresponding percentages for 1934 were 40 and 38 respectively.

Australia's share was 9,210 piculs (U.S.\$25,353) as against 17,227 piculs (U.S.\$60,983); Burma contributed 840 piculs (U.S.\$2,757) as against 4,620 piculs (U.S.\$16,186) for 1934.

## CONDENSED MILK

Total imports of condensed milk into Hongkong in 1935 amounted to U.S.\$975,431 as compared with U.S.\$871,495 in 1934. Included in these figures are imports of evaporated, concentrated, and condensed milks.

Holland was the principal supplier with U.S.\$777,607 (U.S.\$761,495 in 1934), followed by the United States with U.S.\$93,561 (U.S.\$38,425) and Japan with U.S.\$51,818 (U.S.\$4,866). Imports from Canada were confined to one brand of evaporated milk only, and amounted to U.S.\$23,458 (U.S.\$21,895). The feature of the trade was the advance made by Japanese exporters.

## LEATHER

*Sole Leather.*—Canadian sole leather imports during 1935 amounted to U.S.\$8,028 as against U.S.\$6,709 during 1934.

The bulk of the sole leather imported into Hongkong is made up of an inferior grade which is used principally in the manufacture of native shoes and slippers; South China, Siam, British Malaya, French Indo-China, and Kwongchow are the contributing countries.

The sole leather used in the manufacture of European-type footwear of a higher grade is imported from Australia, the United Kingdom, Canada, and the United States.

Australia is in a particularly advantageous position to cater to this trade owing to her ability to supply bellies, shoulders, and bends, whereas up to the present business in Canadian sole leather has been confined to bends. Although this Canadian product has increased in favour in the last few years, the extent of the market is limited: price is the governing factor in this trade. It is hoped that in the near future Canadian manufacturers may be in a position to offer lower-quality bends sufficiently attractive in both quality and price.

*Upper Leather.*—Canadian upper leather imports into Hongkong amounted to U.S.\$16,153 as against U.S.\$24,204 in 1934.

During 1935 business in upper leather has been made increasingly difficult, not only as a result of severe price-cutting but through the establishment in Hongkong and Canton of several small factories which have been engaged in the manufacture of an inferior type of patent leather for use in the making of native slippers. A considerable portion of the upper leather sold is refinished coloured patents which have been rendered unsaleable by damage and purchased at a low price. In addition, a certain amount is prepared from cheap native skins. These products retail at approximately one-third the price of the imported leathers.

Canada's participation in this trade, which has more recently been confined to mahogany patent, has been directly affected by a similar type of mahogany patent of local manufacture. The advantage in price enjoyed by local tanneries outweighs the reputation for high-grade quality built up by Canadian exporters over the last three or four years.

## OATMEAL

The falling off in Canada's participation in the rolled oats trade of Hongkong during 1935 may be attributed, in the main, to the low prices at which the Australian product was quoted and the marked preference for a white flake similar to that supplied from Australia and the United States.

Imports from Canada amounted to U.S.\$6,085 as against U.S.\$10,361 for 1934.

## DRY SALT HERRING

Imports of dry salt herring during 1935, representing the end of the 1934 season (January, February, and March) and the commencement of the 1935 season (November and December), show a slight decrease from the previous year; the figures were U.S.\$102,735 and U.S.\$144,550 respectively.

At the beginning of the 1935 season, the value of the Hongkong dollar being high in terms of Canadian currency, prospects for a successful season were encouraging. However, the abrupt decline in the price of silver, together with the continuance of warm weather and an abundant supply of local fish, militated against the placing of orders for this product.

Inasmuch as Canada enjoys a monopoly of this trade, the imports recorded for the year represent the utmost consuming power of the market under the adverse conditions which existed during that period.

## CANNED GOODS

During 1935 considerable progress has been made in the Hongkong and South China market in connection with the promotion of the sale of Canadian canned goods. The co-operation extended to local importers by Canadian manufacturers in endeavouring to adjust their prices to competitive levels has in no small way been responsible for the growing popularity of their products.

Imports of Canadian tinned and bottled vegetables in 1935 amounted to U.S.\$6,450 (U.S.\$4,837 in 1934); of canned meat and fish, U.S.\$6,612 (U.S.\$4,847); and of tinned and bottled fruits, U.S.\$3,515 (U.S.\$29).

## VERMICELLI

Imports of vermicelli into Hongkong are recorded under the general item "vermicelli, including macaroni and noodles." It may be assumed, however, that the imports recorded as originating in North and South China represent noodles, and on this basis the total imports of vermicelli and macaroni during 1935 are estimated at U.S.\$15,437 as against U.S.\$10,690 in 1934.

Canada enjoyed the bulk of the local trade in this commodity with U.S.\$9,937 as against U.S.\$5,274 for 1934; while France contributed U.S.\$1,849 as against U.S.\$3,447, and Italy U.S.\$1,499 as against U.S.\$1,239.

## FODDER

The market in Hongkong and South China for fodder is restricted to the demand from the British Army Service Corps and the Hongkong Jockey Club, and although the volume of business offering will always be limited, regular supplies will be required.

Total imports amounted to U.S.\$22,800 during 1935 as against U.S.\$29,217 in 1934. Canada was the principal supplier with U.S.\$13,728 as against U.S.\$21,920 in 1934; while Australia was next in importance with U.S.\$6,173 as against U.S.\$4,238 in 1934.

# SUMMARY OF THE TRADE OF CANADA: MONTH, SEVEN MONTHS, AND TWELVE MONTHS ENDING JULY, 1936

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of July, 1936				Seven Months ending July, 1936				Twelve Months ending July, 1936			
	Total Imports	From United Kingdom	From United States		Total Imports	From United Kingdom	From United States		Total Imports	From United Kingdom	From United States	
	\$	\$	\$		\$	\$	\$		\$	\$	\$	
<i>Imports for Consumption</i>												
Agricultural and Vegetable Products.....	11,433,691	1,077,015	3,305,581	65,713,182	8,980,568	21,752,401	112,810,726	17,211,300	112,810,726	17,211,300	33,048,305	
Animals and Animal Products.....	1,952,557	239,165	877,703	15,015,431	2,137,453	7,592,836	25,077,530	3,888,389	25,077,530	3,888,389	11,588,389	
Fibres, Textiles and Textile Products.....	7,520,559	3,614,195	1,930,881	55,926,637	25,855,457	18,541,623	94,150,596	42,755,792	94,150,596	42,755,792	32,669,089	
Wood, Wood Products and Paper.....	2,275,612	289,892	1,810,596	14,650,923	1,834,814	11,783,676	24,794,987	3,514,708	24,794,987	3,514,708	19,248,123	
Iron and its Products.....	11,250,332	2,353,822	8,262,712	79,038,392	11,768,549	64,397,382	124,472,426	21,498,398	124,472,426	21,498,398	97,309,039	
Non-Ferrous Metals and their Products.....	3,201,822	2,612,356	1,962,451	20,354,472	2,971,404	14,571,424	34,458,343	5,321,746	34,458,343	5,321,746	24,247,577	
Non-Metallic Minerals and their Products.....	10,505,626	1,388,380	7,729,323	60,063,281	7,065,608	45,568,022	108,467,547	13,528,158	108,467,547	13,528,158	80,057,694	
Chemicals and Allied Products.....	2,677,930	1,524,136	1,605,292	17,526,365	3,471,875	10,484,892	30,963,541	6,547,356	30,963,541	6,547,356	17,963,686	
Miscellaneous Commodities.....	3,002,775	507,392	2,019,867	19,336,964	3,353,105	13,486,778	34,027,712	6,272,226	34,027,712	6,272,226	22,647,422	
<b>Total Imports, 1936</b>	53,820,904	10,006,404	29,504,356	347,625,647	67,438,550	208,339,630	589,153,408	120,537,950	589,153,408	120,537,950	338,779,352	
1935.....	48,414,397	10,469,659	26,314,523	308,786,700	63,571,127	181,976,315	530,721,928	113,482,508	530,721,928	113,482,508	305,153,354	
1934.....	44,144,509	9,879,293	23,928,247	291,534,359	63,504,513	170,602,776	489,129,176	112,985,369	489,129,176	112,985,369	272,690,230	
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	30,785,403	17,831,368	7,421,053	150,716,247	87,296,257	25,290,140	288,236,120	179,559,159	288,236,120	179,559,159	51,353,152	
Animals and Animal Products.....	11,110,284	6,809,375	3,254,556	67,771,332	34,718,117	26,960,843	111,715,779	60,574,096	111,715,779	60,574,096	38,582,970	
Fibres, Textiles and Textile Products.....	1,160,463	2,260,201	6,695,139	6,695,139	1,460,510	1,658,756	11,163,029	2,459,933	11,163,029	2,459,933	3,816,150	
Wood, Wood Products and Paper.....	18,464,721	3,324,155	12,092,755	109,807,930	16,293,769	75,714,380	193,676,124	30,905,127	193,676,124	30,905,127	132,532,974	
Iron and its Products.....	4,979,460	3,254,155	5,811,517	31,061,462	7,315,109	3,510,372	51,292,246	11,270,015	51,292,246	11,270,015	5,900,337	
Non-Ferrous Metals and their Products.....	13,124,843	7,017,101	3,432,154	107,307,354	43,239,693	46,456,038	211,331,440	71,015,699	211,331,440	71,015,699	100,256,055	
Non-Metallic Minerals and their Products.....	1,960,343	208,213	1,192,073	11,637,213	1,252,779	7,204,184	20,738,604	2,354,816	20,738,604	2,354,816	12,601,455	
Chemicals and Allied Products.....	1,019,779	294,148	1,433,878	10,186,860	2,018,994	4,578,885	16,741,036	3,443,754	16,741,036	3,443,754	7,988,071	
Miscellaneous Commodities.....	1,293,562	239,117	849,277	8,463,812	2,370,722	4,709,381	13,806,949	3,355,153	13,806,949	3,355,153	8,118,573	
<b>Totals, 1936</b>	83,898,858	37,432,509	29,517,464	503,707,349	105,065,956	196,353,479	918,751,327	364,937,772	918,751,327	364,937,772	369,009,546	
1935.....	63,283,787	21,500,200	28,172,018	410,240,136	137,623,926	185,013,669	756,491,722	281,839,450	756,491,722	281,839,450	318,177,269	
1934.....	64,398,012	23,042,917	25,518,229	411,963,655	153,340,330	168,894,809	717,714,542	295,109,833	717,714,542	295,109,833	250,033,731	
<i>Exports (Foreign Produce)</i>												
<b>Totals, 1936</b>	1,069,426	105,409	896,507	5,806,886	588,004	4,701,098	12,409,748	933,993	12,409,748	933,993	10,817,419	
1935.....	1,547,051	49,558	1,440,157	6,366,083	471,333	5,508,436	9,296,053	759,040	9,296,053	759,040	7,882,153	
1934.....	665,554	134,291	478,448	4,085,842	593,091	3,106,069	6,824,759	846,441	6,824,759	846,441	5,279,442	
<i>Excess of Imports <sup>(1)</sup> or All Exports <sup>(e)</sup></i>												
<b>Totals, 1936</b>	(e) 31,147,380	(e) 26,931,514	(e) 909,635	(e) 161,888,583	(e) 129,115,110	(i) 7,194,458	(e) 342,007,667	(e) 245,333,815	(e) 342,007,667	(e) 245,333,815	(e) 41,047,641	
1935.....	(e) 16,418,441	(e) 11,080,099	(e) 3,207,652	(e) 107,919,429	(e) 71,923,432	(e) 9,144,790	(e) 285,495,827	(e) 168,115,892	(e) 285,495,827	(e) 168,115,892	(e) 20,876,670	
1934.....	(e) 20,919,057	(e) 13,297,915	(e) 2,068,440	(e) 124,516,133	(e) 90,423,308	(e) 1,397,702	(e) 235,410,125	(e) 188,030,325	(e) 235,410,125	(e) 188,030,325	(e) 11,377,057	

## MARKET FOR ASBESTOS FIBRE IN CENTRAL CHINA

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

Shanghai, July 10, 1936.—Up to the present Central China has not offered a market of any importance for imported asbestos fibre. Imports of the fibre are not shown separately in the customs returns, but are included under the heading "asbestos, lump, powder, and fibre," and the figures are available for the whole of China only, and not by individual ports. It is only since 1934 that this much detail has been given. Previously the raw material was grouped with a wide variety of articles, made wholly or partly from it, under the general heading "asbestos and manufactures thereof." Imports of "asbestos, lump, powder, and fibre" were as follows in the last two calendar years:—

### *China's Imports of Asbestos, Lump, Powder, and Fibre*

	1934		1935	
	Pounds	Can. \$	Pounds	Can. \$
Total.. . . . .	42,900	1,419	22,200	1,409
Great Britain.. . . . .	1,500	442	1,100	176
Italy.. . . . .	33,500	615	2,700	680
Japan.. . . . .	5,400	209	17,800	514
Other countries.. . . . .	2,400	152	450	38

There is some evidence to suggest that the above returns include very little fibre. It is suggested that the apparent discrepancy in the figures for Italy are due to large imports of cheap lump in 1934 and some import of higher-priced amianthus in 1935. No imports are shown from Rhodesia, but it is possible that small quantities came in via Great Britain. Nor are any shipments from Russia indicated although they may be included under "other countries." In any case it will be apparent that the imports of high-grade fibre are negligible, if indeed they exist.

### CHINA'S DOMESTIC ASBESTOS PRODUCTION

Little definite information is available regarding China's production of raw asbestos. In a number of provinces deposits are known to exist, of which several at least have been worked for a long time, but the total production seems to be small compared with that of other producing countries. One authority states: "Some remarkably high-grade asbestos has been mined in Central China and deposits have been found in many places throughout the country, in many of which, however, the fibre is too short and brittle to make the export a profitable undertaking."<sup>1</sup>

It will be noted that *export* is mentioned. It is said that considerable quantities have been shipped abroad, but on this point reports are conflicting. For example, one large firm, which was named as one of the leading factors in the asbestos export trade, stated that they had indeed endeavoured to do such business, but no success had ever been met with although several small trial shipments had been sent overseas. In any case the product does not appear in the customs export returns, which suggests that if an export trade does exist, it is not large.

The Bureau of Foreign Trade of the Ministry of Industries has supplied the following information:—

In China asbestos occurs in many places, mostly in Hopei, Suiyuan, Liaoning, Honan, and Shensi provinces. It is also discovered in Shansi, Hupeh, Hunan, Kweichow, Yunnan, Shanghai, Szechwan, Sikong, Jehol, and other provinces. It is mainly of the serpentine variety, the fibre being fine but short. Very little belongs to the "amphibole" variety. In Chingchow of Liaoning province asbestos is mined by Japanese, the annual production being

<sup>1</sup> Mr. Ernest Watson, tariff expert of the Chinese Maritime Customs, writing on the "Principal Articles of Chinese Commerce," Shanghai, 1930.

about 100 tons. In Laiyuan Hsien of Hopei province, asbestos has been mined for many years. Other mines in other places are working irregularly but with little production. The following table shows the production of asbestos in China in the years 1932 to 1934:—

Year	Laiyuan <sup>2</sup> Tons	Liaoning <sup>3</sup> Tons	Other Places Tons
1932.. . . . .	180	120	50
1933.. . . . .	100	106	30
1934.. . . . .	150	110	30

<sup>2</sup>A district in Hopei province near Tientsin.

<sup>3</sup>A province of Manchuria.

Hopei and Shantung provinces in North China, Szechwan in the far west, and Yunnan and Kwantung provinces in the south appear to be the chief producing regions. As far as can be ascertained, there are no mines of any importance near Shanghai in Central China. The Szechwan product is said to have the longest fibre, but on the average the domestic asbestos is said to be of low quality.

### PRICES OF DOMESTIC RAW MATERIAL

Current prices quoted at Shanghai on the domestic asbestos are as follows delivered ex godown (warehouse) in local currency: "North China quality," \$784 per long ton; "Szechuen quality," \$900 per long ton. The Shanghai dollar is roughly equal to Can.\$0.30, so that the foregoing prices are equivalent to Can.\$235 and Can.\$300 per long ton respectively. Quotations on asbestos raw material from other provinces do not appear to be available in Shanghai.

### CONDITIONS UNDER WHICH IMPORTS MIGHT BE DEVELOPED

The data set forth above suggests that China's commercially available asbestos is poor in quality but cheap in price. In view of this it would seem that the only circumstances in which Canadian or other foreign asbestos could enter this market in any quantity would be those arising if the domestic manufacturing industry undertook to turn out asbestos products of a type and quality capable of competing with the imported finished products, and in so doing found it necessary to purchase better-quality raw material from abroad.

There can be little doubt that the demand for asbestos products is growing and that it will continue to grow in company with the increasing industrialization of this country. And judging from developments in other fields, it is probable that an increasing share of this growing demand will be supplied by the domestic manufacturing industry. The tariff on asbestos and its products is described below.

### DOMESTIC MANUFACTURING INDUSTRY

Little data are available to show the extent of the domestic industry. There are one or two small factories in Shanghai turning out asbestos packing, but the great bulk of such packing and of the other asbestos products used in Central China comes for the most part from two factories in North China, of which one is at Tientsin and the other is at Tsingtao. The former maintains its own sales office in Shanghai, the manager of which reported a turnover in 1935 of Shanghai \$500,000 (Can.\$150,000).

The chief articles produced, with their prevailing wholesale prices at Shanghai, are as follows: asbestos cloth, 60-80 cents; asbestos sheet, 15-17 cents; asbestos packing, round, 22-27 cents; asbestos packing, square, 40-50 cents; asbestos wired tape, 70 cents. These prices are usually subject to a dealer's discount of 10 per cent and are in Shanghai currency, the Shanghai dollar, as already noted, being worth roughly Can.\$0.30.

The largest buyers of these domestic products are the Chinese Government railways, Chinese shipping firms, industrial plants, dockyards and engineering works, heating installation contractors, and dealers in hardware and building materials.

In most cases the quality of these products is poor compared with that of imported articles, but in a price market such as China is at present this is a factor of little importance.

#### IMPORTS OF MANUFACTURED ASBESTOS PRODUCTS

As suggested above, no statistics are available showing the extent of the domestic production and consumption of asbestos products in China. Data showing the imports in 1934 and 1935 of those articles classified separately in the customs returns are available in the Department of Trade and Commerce, Ottawa, and may be obtained on application by interested Canadian firms. Apart from occasional small shipments of roofing, the only asbestos products imported from Canada are brake-lining and clutch-facing.

The following shows the volumes (in short tons) and values (in Canadian dollars) of the imports into all China of "asbestos and manufactures thereof" for the years stated: 1923, 550 tons (\$123,200); 1928, 780 tons (\$174,700); 1931, 780 tons (\$161,800); 1932, tonnage not available (\$136,000); 1933, tonnage not available (\$139,700); 1934, 642 tons (\$150,700); 1935, 620 tons (\$155,700).

It should be noted that the returns for the years after 1931 no longer include imports into Manchuria.

#### CUSTOMS DUTIES ON ASBESTOS AND ITS PRODUCTS

The customs duties prevailing on asbestos and manufactures thereof are as follows: asbestos, lump, powder, and fibre, 15 per cent ad valorem; asbestos boiler composition, brake-lining, clutch-facing, jointing fibre, gloves, packing and metallic packing, wicks, and asbestos products not otherwise provided for, 15 per cent ad valorem; asbestos cement slates for roofing and asbestos roofing sheets, 20 per cent ad valorem; asbestos millboard, 2·80 gold units per 100 kilograms (approximately Can.\$1.90 per 220 pounds); asbestos yarn, 17 gold units per 100 kilograms (approximately Can.\$11.56 per 220 pounds). These duties are subject to a surtax of 20 per cent of the amount of the actual duty paid. The same rates apply to imports from all countries.

#### NORTHERN IRELAND FARM PRODUCTION OUTLOOK

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Belfast, August 4, 1936.—Despite the subsidy offered to wheat growers, and also because of the very unfavourable weather at the sowing season, only 6,873 acres are in wheat in Northern Ireland as compared with 9,067 in 1935. Northern Ireland has never been a good wheat-growing area, but it is expected that this crop will in future be further encouraged. This has also been promised with respect to oats, for which the acreage has fallen from 272,688 to 265,040. In Ulster, as in Scotland, this crop has always been successfully grown, but farmers complain that it no longer covers the cost of labour and outlay, and the United Kingdom Government is being pressed to pay a subsidy to the growers and impose a levy on foreign importations. Flax, on which the linen industry depends, is sown to 25,377 acres this year as compared with 27,555 in the previous year. The diminution in price, and the lack of special inducement to grow flax, has caused the reduction in area in the north, but, as has been reported previously, the Free State, with its assistance to growers and an increased acreage, is making a special effort this year to supply any deficiency.

The restrictions placed on the importation of potatoes, and the better prices in the home market, have evidently produced good results in Northern Ireland, for the acreage this year under crop is 131,735 as compared with the previous

year's 129,015. Great Britain has provided a good market for Ulster potatoes, and during March, April, and May this year the corresponding shipments of 1935 have been more than doubled.

With reference to sheep, pigs, and poultry, new high records of production have been achieved. The number of sheep grazing in Northern Ireland has increased to 834,754. The pork marketing scheme with its stabilized prices has greatly increased the number of pigs, the returns showing 521,255, or an increase of 66,377 over the May, 1935, figures. With regard to cattle, there has been a decline of 29,583 in the 1936 total census figures of 769,663. It should be noted, however, that during the past year there have been considerably increased exports of cattle, which will account for part of the decline. Beef prices have not been favourable to producers; only the subsidy has prevented a much poorer showing. The promised long-term policy of improved fixed prices is expected to bring cattle production back to its former high level.

Northern Ireland has a greater number of poultry to the acre than any other area in the British Isles; the total now exceeds 10,500,000, 90 per cent of which are ordinary fowl. Duties on imports and local marketing schemes have greatly assisted the rearing of table poultry and the production of eggs.

Hay and other crops have suffered considerably by the unprecedented flooding and abnormal rainfall of this year.

## TRADE OF NIGERIA, 1935

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Liverpool, July 31, 1936.—The upward trend of trade activity in Nigeria, which began in the latter part of 1934, continued during 1935. According to the annual report of the Comptroller of Customs, the trade returns for 1935 show substantial improvement over those for the previous year in both imports and exports, as well as in revenues collected.

The prime reason for this further recovery is the continued rise in prices of West African produce, the level of which indicates, more than any other factor, the trading capacity of the country. The chief products of the country are palm kernels, groundnuts, palm oil, and cocoa—all of which have advanced steadily in value since the latter part of 1934.

### IMPORTS

Import values for 1935 show an increase of £2,440,131 or 45 per cent over those for the year 1934, the total (exclusive of specie) having increased from £5,363,680 to £7,803,811. This is the highest figure reached since 1930, when import values totalled £12,616,949. Nigeria maintains a single column tariff policy, all countries paying the same rates of duty.

### IMPORTS BY PRODUCTS

The principal imports with the values for 1935 and 1934 (the latter in parentheses) are as follows:—

Cotton piece-goods, £2,534,216 (£1,302,555); iron and steel manufactures, £671,022 (£460,873); fish, £310,475 (£193,316); bags and sacks, £269,593 (£227,878); salt (other than table), £213,664 (£202,951); cigarettes, £296,686 (£190,657); coopers' stores, £187,820 (£200,110); apparel, £155,196 (£108,782); tobacco, unmanufactured, £144,370 (£93,861); motor spirits, £143,368 (£121,097); grain and flour, £116,206 (£90,671); motor lorries and parts, £112,687 (£73,750); motor cars and parts, £106,847 (£97,707); sugar, £94,512 (£55,757); medicines and drugs, £94,007 (£74,028); implements and tools, £88,066 (£62,929); cement, £83,395 (£81,252); bicycles and parts, £80,052 (£38,514); machinery, £75,385 (£79,413); iron and other metals, £70,456 (£43,605); kerosene, £63,044 (£63,036); stationery, £58,001 (£45,218); chemicals, £53,548 (£45,433); perfumery, £49,225 (£34,479); whisky, £48,218 (£45,525); ale and beer, £48,146 (£43,481); gin, £29,610 (£22,518); matches, £25,560 (£23,879); beads, £24,802 (£11,979); milk, £23,791 (£21,342).

## PERCENTAGES BY COUNTRIES

As in the case of the other British West African countries, the bulk of the imports into Nigeria come from the United Kingdom, the percentage in 1935 being 63·41 as compared with 59·15 in 1934. The remainder of the trade was distributed as follows: Germany, 6·68 per cent; Empire countries, 6·08; United States, 5·82; Norway, 3·48; Japan, 2·58; Italy, 1·95; Holland, 1·83; France, 1·11 per cent. A feature in 1935 was the increase in the United Kingdom's share and the reduction in Japan's, that of the latter falling from 7·21 per cent to 2·58 per cent.

## NOTES ON PRINCIPAL ITEMS

Among the imports of "food, drink, and tobacco" the most prominent items were salt (unrefined), cigarettes, and unmanufactured tobacco. The imports of salt rose from 919,420 cwts. to 986,362 cwts., those of cigarettes from 2,264,529 to 2,680,215 hundreds; and of tobacco unmanufactured from 2,278,597 pounds to 3,139,319 pounds. Other items which showed good increases were beer, fish, flour, wines, and biscuits.

Under "raw materials and articles mainly manufactured" increases occurred in all items except those of kerosene, wood and timber, lead manufactures, and soap. The most outstanding was motor spirit, which increased by over 1,000,000 imperial gallons, due no doubt to the development in motor transport. Wood and timber importations continue to decline, plentiful supplies of locally grown timbers being available for building purposes. During the year the imports of boots and shoes, other than those of leather, increased by 100 per cent. Motor vehicles was also a prominent item, 359 more cars and lorries being imported in 1935 than in 1934. The principal makes included Austin, Chevrolet, Ford, Morris, and Vauxhall. Lorries comprised Bedford, Chevrolet, Dodge, Ford, and International.

## IMPORTS OF CANADIAN PRODUCTS

The value of imports from Canada into Nigeria in 1935 totalled £41,014, an increase of about £10,352 or about 33 per cent above that for 1934. The total for 1933 stood at the low figure of £418. This improvement is entirely accounted for by the increase in imports of articles wholly or mainly manufactured, the total value of which reached £36,429 (£26,072). All other imports from Canada were listed under "food and drink" and totalled £4,585 (£4,590). In the former category the outstanding items were motor cars, lorries and parts, which showed increases of nearly 100 per cent and helped to compensate for a substantial reduction in manufactured timber. Under the second heading flour and canned fish accounted for more than half of the total, though the quantities and values were slightly less than in 1934. Canada's position in the flour trade has not altered materially since the advance in 1934 from £139 to £2,142. The improvement, begun also in 1934, in her shipments of canned fish (£279 to £1,231) was well maintained throughout 1935. Canada has moved from seventh to fifth place as a source of supply of this commodity. The import values of the principal products in relation to those of other countries for 1934 and 1935 are as follows:—

## FOOD, DRINK, AND TOBACCO

*Flour*.—Total, £43,786 (£34,773): United States, £39,352 (£30,344); United Kingdom, £2,029 (£2,027); Canada, £2,015 (£2,142).

*Canned Fish*.—Total, £17,941 (£13,329): Portugal, £7,173 (£4,218); United States, £3,509 (£2,056); United Kingdom, £1,950 (£2,126); Russia, £1,518 (£1,122); Canada, £1,231 (£1,470).

*Smoked Meat.*—Total, £6,991 (£3,813): Denmark, £2,394 (£951); United Kingdom, £2,248 (£1,831); Germany, £591 (£400); Holland, £502 (£143); Canada, £252 (£135).

*Pickles and Sauces.*—Total, £3,467 (£4,151): United Kingdom, £2,122 (£2,061); Italy, £595 (£1,192); Canada, £246 (£235); France, £148 (£206).

*Sugar, Refined.*—Total, £93,250 (£55,712): United Kingdom, £54,335 (£28,308); France, £17,558 (£11,105); Czechoslovakia, £15,188 (£12,764); United States, £2,887 (£2,614); Germany, £1,107 (£617); Canada, £176 (£6).

*Milk, Unsweetened.*—Total, £20,882 (£18,668): United Kingdom, £12,449 (£11,961); Holland, £4,870 (£3,360); Denmark, £2,769 (£2,810); Germany, £523 (£249); Canada, £115 (£28); Switzerland, £88 (£99).

*Farinaceous Products.*—Total, £1,838 (£1,751): Belgium, £494 (£382); Italy, £280 (£351); France, £216 (£218); United States, £182 (£120); Canada, £73 (£79).

#### MANUFACTURED ARTICLES

*Motor Lorries.*—Total, £104,905 (£64,813): United States, £73,763 (£25,236); Canada, £15,696 (£9,985); United Kingdom, £14,442 (£29,482); Germany, £884 (£50).

*Motor Cars.*—Total, £77,468 (£70,734): United Kingdom, £48,795 (£53,930); Canada, £15,009 (£7,952); United States, £11,441 (£6,849); Germany, £1,508 (£919).

*Motor Car and Lorry Parts.*—Total, £37,159 (£35,910): United Kingdom, £19,724 (£21,200); United States, £11,256 (£9,590); Canada, £3,930 (£3,213); Germany, £1,193 (£1,184).

*Paper (All Kinds).*—Total, £27,386 (£22,677): United Kingdom, £22,225 (£17,916); Germany, £1,070 (£1,068); Italy, £858 (£1,217); Esthonia, £733 (£64); Canada, £572 (£2); Sweden, £397 (£909).

*Motor Tires.*—Total, £47,981 (£33,594): United Kingdom, £34,935 (£24,369); France, £7,704 (£6,523); United States, £3,212 (£1,682); Germany, £1,576 (£954); Italy, £277 (nil); Canada, £209 (£66).

*Lamps and Lanterns.*—Total, £29,933 (£21,366): Germany, £15,611 (£8,782); United Kingdom, £9,313 (£9,651); Japan, £1,900 (£283); United States, £1,508 (£1,249); Czechoslovakia, £241 (£242); Canada, £143 (£33).

*Boots and Shoes (Other than Leather).*—Total, £26,359 (£13,264): Japan, £22,815 (£8,747); Czechoslovakia, £2,394 (£3,851); Germany, £224 (£55); Canada, £133 (£26).

*Timber, Manufactured.*—Total, £35,717 (£19,333): United States, £9,950 (£3,478); United Kingdom, £6,379 (£6,902); Sweden, £5,349 (£211); Germany, £4,383 (£2,329); Finland, £3,090 (£430); Holland, £2,590 (£528); Norway, £1,445 (£747); France, £640 (£774); Japan, £384 (£96); Poland, £252 (£196); Esthonia, £241 (£259); Canada, £89 (£2,869).

#### EXPORTS

Export values for 1935 totalled £11,472,533, an increase of £2,738,923 or approximately 31 per cent over the 1934 total. The bulk of the trade was done in native produce, consisting of palm kernels, groundnuts, palm oil, and cocoa, as follows:—

*Palm Kernels.*—In 1935 exports reached the record figure of 312,746 tons (£2,245,004 as against £1,590,648), an increase as compared with 1934 of 23,299 tons. The average price for the year was £6 7s. 2d. per ton as against £3 12s. 10d. during 1934.

*Groundnuts.*—This product showed a falling off in quantity, 60,893 tons less being shipped in 1935 than in 1934, but the value rose from £1,860,267 to £2,092,590. The price averaged £7 13s. 11d. per ton as against £2 14s. 4d.

*Palm Oil.*—At 142,628 tons (£1,656,159) a record export figure was established, and an increase from 112,773 tons in the previous year (£885,400). Prices throughout the year averaged £8 4s. 2d. for semi-hard and £10 11s. 3d. for hard oil as against £3 2s. 9d. and £4 19s. 1d. during 1934.

*Cocoa.*—Exports of 88,143 tons were also a record and an increase of 10,161 tons over 1934. Values for the two years were £1,583,827 and £1,290,436 respectively. Prices for the three grades averaged as follows during 1935 and 1934 respectively: £16 15s. 3d. and £14 19s. 11d.; £16 3s. 11d. and £14 3s. 9d.; £15 15s. 2d. and £13 1s. 2d.

Nigeria's exports to Canada consisted entirely of palm oil, the total value of which reached £143,631 as against £33,058 in 1934. The quantities involved were 12,009 tons and 4,851 tons respectively.

## SECOND GERMAN CROP ESTIMATES

S. V. ALLEN, ASSISTANT TRADE COMMISSIONER

Hamburg, August 19, 1936.—The second official estimate of this season's grain crops as at the beginning of August has just been issued by the German Statistical Bureau. In general the position is not as satisfactory as was forecast in July (see *Commercial Intelligence Journal* No. 1700, p. 436), a period of cool, wet weather having delayed ripening and harvesting and caused more damage than had previously been anticipated. Conditions in various sections of the country are reported to differ widely as compared with those in July, but it is apparent that no general improvement can now be expected. Reduced yields of all grains are probable except in the case of oats and winter barley.

The following figures are the latest estimated yields for the types of grain indicated, the July estimate being shown in parentheses: winter wheat, 4,460,000 metric tons (4,540,000 tons); summer wheat, 350,000 tons (360,000 tons); spelt, 110,000 tons (110,000 tons); winter rye, 7,880,000 tons (8,340,000 tons); summer rye, 80,000 tons (80,000 tons); winter barley, 1,140,000 tons (1,130,000 tons); summer barley, 2,430,000 tons (2,500,000 tons); oats, 5,750,000 metric tons (5,690,000 tons).

These estimates show an anticipated yield of some 2.4 per cent lower than the July figures but 5.6 per cent above those of last year's harvest. The total yield of bread grains (rye, wheat, and spelt) is placed at 12,880,000 metric tons, which, in comparison with the average yield of the same cereals during the five-year period 1930-35 of 12,540,000 tons, may be regarded as satisfactory.

## WHEAT AND FLOUR TRADE REGULATION IN EUROPEAN COUNTRIES

IX<sup>1</sup>

Italy

J. C. DEPOCAS, ASSISTANT TRADE COMMISSIONER

(One quintal equals 220 pounds; one bushel equals 60 pounds; one lira equals 7.9 cents Canadian)

Milan, July 9, 1936.—Due to adverse weather conditions the present crop of wheat in Italy will not be as abundant as that of last year. There was a reduction in the acreage sown in Northern and Central Italy, but an increase in the southern section.

To face what may become an acute situation, it has been decreed that the crop in the kingdom and in the colonies shall be surrendered to the Government with a view to permitting control of the production, sale, consumption, and price, as well as the sowing for the next year.

Every farmer is now obliged to consign to the state through authorized bodies all his holdings and crop, except the quantities he may require for his own use and those of his family and dependents at the rate of three quintals per head, and what he may require for sowing purposes at the rate of two quintals per hectare of land to be sown. The remainder will be consigned to the "Ufficio Centrale Ammasso Grano," which has ramifications throughout the country and whose control will cover all wheats, whether nationally grown or imported from the colonies or abroad, and whether imported for consumption or for re-exportation.

This decree outlines the procedure to be followed and the functions of the "Ufficio Centrale" and of the provincial bodies appointed to supervise *de visu*

<sup>1</sup> Previous reports on this subject were published as follows: United Kingdom (No. 1695); Switzerland (No. 1697); Netherlands, Germany and Czechoslovakia (No. 1698); the Irish Free State and Portugal (No. 1699); and Belgium (No. 1700).

the consignments of grain and their further movement. These provincial bodies are to be known under the name "Centro Provinciale Ammasso" and will be located in the county town of the province or district.

The grain co-operatives and farmer associations already legally instituted are, *ipso facto*, the official receivers or collectors or consignors of the wheat grown in each particular district and to be delivered by the farmers, but they must keep a distinct system of bookkeeping.

#### PRICES

The basic price to the farmer is for the quality "good merchantable" and will remain unchanged for the duration of the wheat campaign. It applies, in the case of soft wheat, when it weighs 78 kilos to the hectolitre (48·7 pounds to one cubic foot) with an allowance of 1 per cent for impurity and, in the case of hard wheat, when it weighs 80 kilos per hectolitre (50 pounds to 1 cubic foot) with an allowance of 1 per cent for impurity and 5 per cent for soft wheat. There will be a corresponding increase or decrease in price according to grade.

This basic price has been fixed at lire 118 per quintal (\$2.56 per bushel) for soft wheat and at lire 133 per quintal (\$2.85 per bushel) for hard wheat. Seed of a selected quality for sowing purposes, however, may be sold at a higher price with the permission of the Minister of Agriculture. The margin between the advances and the sales price will be distributed among producers when the books are closed and deductions have been made for administration costs and interest.

#### ADVANCES TO GROWERS

Advances will be made to growers who so request. These advances will be made immediately in one payment at the rate of 110 lire for each quintal (\$2.36 per bushel) of soft wheat and of 125 lire for each quintal (\$2.69 per bushel) of hard wheat, irrespective of the quantity delivered by each individual producer.

To enable the provincial bodies to finance this advance, the grain may be given as guarantee, but only those institutions normally interested in the issue of farmers' loans may carry on operations for the provincial bodies.

#### PROCEDURE OF SALES

The Department of Agriculture will give the orders with respect to the date when, and the place where, the sales will take place. The sales will be effected by the Italian Federation of Farmers' Co-operatives, on behalf and for the account of the consignors and under the direction and control of the department. All sales are to be on a f.o.b. basis.

The payment to the farmer, or the balance due in the case of advances, will be made when the entire stock shall have been sold. If at the end of June there is an unsold surplus, payment will be according to the portion sold, and also at July 31, if there is again an unsold balance. After that date all stocks will be carried over to the next year.

The mills are obliged to carry a stock sufficient for a month's operation at the rate of 50 per cent of their technical capacity, and they are forbidden to mill any other grain than that bought from the provincial bodies, but they are allowed to mill those quantities which each individual farmer has been authorized to keep for his own requirements.

Breaches of the regulations are subject to penalties equal to the cost of the grain itself, all previous contracts becoming automatically annulled.

#### PROVISION FOR ADMINISTRATION COSTS

On each quintal of grain consigned, the sum of lira 0·50 will be retained to provide for the cost of organization, administration and operation. The consignors,—that is, the farmers—will have to meet the cost of storing, maintenance and protection against hazards, as well as the interest on advances.

SEED GRAIN SELECTION

The Department of Agriculture is emphasizing the wider distribution of a select variety of seed grains, expected to increase the quality and volume of the crop. A certain quantity of this seed is available, but it is not sufficient for the requirements of all the farmers. Those farmers, co-operatives, or seed merchants who desire to be allotted a certain portion of the seed must submit their sowing and all further operations to the direction of the "Istituto di Genetica Vegetale," which is the sole depositary of this selected grain seed and is charged with its distribution.

WHEAT FLOUR

To relieve the situation created by an increasing scarcity of hard wheat, it has been found necessary to regulate, for the time being, the production and trade in alimentary pastes and to forbid the use of hard wheat in the making of bread to be sold in the kingdom.

By a recent decree it is now obligatory to use in the making of alimentary pastes, a flour which is a mixture of 60 per cent hard wheat and 40 per cent soft wheat. These pastes will be put on sale under the name of "pasta di semola." It will be permitted to use flours out of other cereals or farinaceous plants in a proportion not exceeding 20 per cent. This latter type of paste will be known in the trade under the name of "pasta miscelata" and will be retailed at prices lower than those obtained for "pasta di semola" and "pasta comune" and will be subject to certain standards of colour, odour and taste.

From now on the types of alimentary paste saleable in the kingdom are:—

- (1) Pasta di semola... 60% hard wheat flour and 40% soft wheat flour
- (2) Pasta comune... 100% soft wheat flour
- (3) Pasta miscelata... 80% wheat flour and 20% other cereal flour
- (4) Pasta speciale... No. 1 with the addition of gluten, malt, eggs, tomatoes and meat

The making of a certain quantity of paste from 100 per cent hard wheat flour will still be permitted for those whose diet is restricted, but this type of paste will be sold in sealed containers of not more than 250 grams on which will be indicated the nature and the proportion of the ingredients.

The same decree also prohibits the sale of hard wheat flour for bread-making as well as the sale of hard wheat, and it is stipulated that a period of 30 days from the date of the publication of the decree (February 28, 1936) will be granted the manufacturers and retailers for the sale of stocks on hand.

Decree No. 723 of June 10, 1931, stipulates that foreign wheat flours and semolina imported into Italy must be blended with wheat flours and semolina of national production so that the percentage of foreign flours and semoline contained in the blend shall not be greater than 1 per cent.

The importation of wheat and wheat flour is subject to licence to be issued by the Italian Minister of Finance.

FOREIGN TRADE OF MEXICO IN 1935

S. G. MACDONALD, ACTING TRADE COMMISSIONER

(3.60 Mexican pesos are taken as equal to U.S.\$1)

Mexico City, August 6, 1936.—The foreign trade of Mexico, which totalled 1,164,008,280 pesos in 1935, while not increasing as greatly over the 1934 total of 985,166,732 pesos as was the case during that year (when about 140 per cent of the value in 1933 was recorded), was augmented by about 20 per cent. In 1934 the largest advance was made in exports, which were double those of 1933; imports increased to a much smaller degree. In 1935 the expanded trade was accounted for almost equally between imports and exports, the former, however,

showing a greater advance (21 per cent) than the latter (16 per cent): the reverse situation to that of 1934. The comparative totals of both exports and imports for 1935 and 1934 and by main groups, for which statistics are available only, are as follows:—

	Total Imports		Total Imports	
	1934	1935	1934	1935
	Pesos	Pesos	Pesos	Pesos
(Held in Free Ports) . . . .	333,973,908	406,973,908	643,710,297	750,292,490
	7,466,412	7,566,474	16,115	13,082
	341,440,320	414,540,382	643,716,412	750,305,572

### Imports

	1934	1935
	Pesos	Pesos
Coined gold and silver, bills, shares, etc. . . . .	6,316,492	30,537,259
Animals and products . . . . .	22,234,202	17,491,737
Vegetables and products . . . . .	28,476,547	28,603,432
Textiles . . . . .	26,615,009	26,338,320
Textile manufactures . . . . .	3,667,070	4,444,930
Minerals and products . . . . .	69,623,450	75,987,889
Drugs and chemicals . . . . .	39,965,039	44,455,831
Machinery, apparatus and tools for agriculture, industry, mining and arts . . . . .	65,284,669	79,835,996
Machinery, apparatus and instruments for other uses, and vehicles . . . . .	45,911,324	69,453,256
Manufactures, sundry . . . . .	25,880,086	28,987,584

### Exports

	1934	1935
	Pesos	Pesos
Coined gold and silver, bills, shares, etc. . . . .	24,027,895	51,721,780
Animals and products . . . . .	10,338,602	15,588,051
Vegetables and products . . . . .	91,602,034	116,096,495
Minerals and products . . . . .	511,001,277	559,328,297
Manufactures, sundry . . . . .	6,740,489	7,557,859

As the statistics show, the greatest improvement in imports was made in coined gold and silver, shares, etc., but this advance was more than offset by the great expansion in exports of the same category. The increased activity in industry generally was reflected in the imports of machinery of all kinds and by the active sales of motor vehicles. Drugs and chemicals showed an advance in value of some 15 per cent, and mineral products of about 9 per cent. With these exceptions, imports during 1935 tended to remain at about the 1934 level.

With respect to exports, increases took place particularly among animals and animal products, which increased in value about 50 per cent. The other classifications, while improving the 1934 position considerably, were not so noteworthy.

### DETAILS BY PRINCIPAL COUNTRIES

The following statistics show the most important markets for Mexican products and suppliers to Mexico for the comparative years 1935 and 1934 in order of importance for imports during 1935:—

Countries	Imports		Exports	
	1935	1934	1935	1934
		Values in Mexican Pesos		
Totals . . . . .	414,540,382	341,440,320	750,305,572	643,716,412
United States . . . . .	265,348,342	202,704,614	471,203,337	333,604,147
Germany . . . . .	48,466,245	34,390,493	52,923,086	40,972,913
Great Britain . . . . .	23,438,258	35,956,196	76,100,881	132,352,088
France . . . . .	16,017,134	16,609,956	17,219,369	19,767,441
Spain . . . . .	11,772,933	7,675,991	7,820,476	6,154,697
Italy . . . . .	5,885,215	3,934,206	7,520,429	4,084,690
Japan . . . . .	4,901,679	3,028,045	12,364,905	7,364,390
Sweden . . . . .	4,267,509	4,381,896	4,782,287	3,872,813
Netherlands . . . . .	4,138,450	3,602,275	17,139,897	12,834,321
Belgium . . . . .	3,876,523	2,594,167	19,904,079	19,953,379
Switzerland . . . . .	3,741,491	5,112,382	10,744	89,416
Canada . . . . .	3,171,123	2,321,369	92,574	630,331
Czechoslovakia . . . . .	1,742,814	1,187,719	63,211	5,862
Argentina . . . . .	1,220,599	992,731	2,318,073	7,228,953

DETAILS BY PRINCIPAL COUNTRIES—*Concluded*

Countries	Imports		Exports	
	1935	1934 Values in Mexican Pesos	1935	1934
Norway . . . . .	921,350	789,390	3,769,800	3,052,689
Australia . . . . .	676,212	235,507	4,956,291	3,572,480
Poland . . . . .	601,023	381,786	68,987	48,595
Ceylon . . . . .	561,770	1,219,823	.....	134
Dutch East Indies . . . . .	484,966	4	70	10,810
Uruguay . . . . .	427,778	169,955	925,392	1,385,290
Austria . . . . .	407,168	582,575	12,054	6,048
British India . . . . .	397,028	82,597	1,845,118	2,425,567
Phillipine Islands . . . . .	376,579	1,565,996	753	7
Finland . . . . .	373,984	688,237	354,597	35,233
Denmark . . . . .	334,154	529,644	2,331,359	889,079
Cuba . . . . .	113,159	275,597	2,792,462	5,031,920
Chile . . . . .	69,948	59,094	1,712,558	3,835,319
Guatemala . . . . .	25,006	25,084	1,844,037	1,342,629
Dutch Antilles . . . . .	2,345	501,052	8,500,254	3,776,915

It will be noted that the favourable balance of trade which Mexico had in 1934 with the United States, Great Britain, Germany, France, Belgium, Holland, Italy, Japan, Norway, Dutch West Indies, Argentina, Australia, Brazil, Cuba, Chile, India, Denmark, Guatemala, Russia, and Uruguay was maintained during the following year, and in connection with some important countries this balance was increased.

## PRINCIPAL SOURCES OF SUPPLY

The United States continues to be the most important supplier of goods from abroad, over 60 per cent of imports being credited to that country, which also took a similar percentage of exports from Mexico. Ranking next in importance to the United States as suppliers during 1935 were in order: Germany, Great Britain, France, Spain, Italy, Japan, Sweden, and Holland; Canada stood twelfth with about 0.75 per cent. It must be borne in mind, however, in considering both the import and export trade between Canada and Mexico, that much of it is not shown in the Mexican statistics, owing to the fact that the routing is principally through the United States. Accordingly, the returns of the Dominion Bureau of Statistics must be studied as well, as they are by far the more accurate for purposes of comparison.

## TRADE WITH CANADA

## MEXICAN EXPORTS TO CANADA

According to official Mexican statistics, the total value of Mexican products exported to Canada during 1935 amounted to 92,574 pesos as compared with 630,331 pesos in the previous year. The principal products listed in 1935 in order of value were: coffee (52,040 pesos), alcohol and alcoholic beverages (22,800), kid skins (3,600), fuel oil (3,260), dried broad beans (2,500), sundry articles (2,446), ixtle (2,053), oranges (1,600), manufactures of feather over cardboard or paper (1,527), stuffs and manufactures of animal fibre (748 pesos).

The fact that, as has been indicated, most shipments to Canada from Mexico are sent either via the United States or to commission or brokerage houses in the latter country (which in turn sell to Canadian importers) places the exports to Canada in the Mexican statistics at a ridiculously low figure (when in fact they amount to well over twenty-five times that amount), as the methods of sale prevent the statisticians ascertaining the final country of purchase from the documents which they have presented to them.

## IMPORTS INTO CANADA FROM MEXICO

Thus the import statistics issued by the Dominion Bureau of Statistics, which are based on actual imports from countries of origin, clearly show the truer posi-

tion. For the year 1935 the total imports into Canada from Mexico amounted to \$706,466 as compared with \$437,521 in 1934. At the average prevailing rates of exchange these totals amounted to 2,543,277 pesos in 1935 and 1,575,075 pesos in 1934. According to the Dominion Bureau the following were the most important imports from Mexico into Canada for 1935 and 1934:—

Classification	Quantity		Value in Dollars	
	1935	1934	1935	1934
Tomatoes, fresh.. . . . lbs.	16,742,564	6,697,015	415,786	177,758
Sisal fibre.. . . . cwt.	59,717	15,738	159,761	56,049
Coffee, green, imported direct.. . . . lbs.	633,669	931,003	67,183	117,555
Nuts, shelled, n.o.p.. . . . lbs.	86,893	128,189	25,283	31,721
Vegetables, fresh, n.o.p.. . . . lbs.	521,351	288,084	20,320	5,890
Oranges.. . . . cu. ft.	2,200	691	3,651	465
Sugar, n.o.p., not above No. 16 D.S.. . . cwt.	3,595	22,644	2,724	17,483
Peas, n.o.p.. . . . lbs.	36,896	37,456	1,734	1,645
Beeswax.. . . . lbs.	5,127	.....	1,300	.....
Automobiles, freight.. . . . No.	1	.....	1,000	.....
Bananas.. . . . stem	355	688	648	1,129
Articles reimported.. . . .	.....	.....	10	1,056
Rice, uncleaned.. . . . cwt.	.....	4,000	.....	7,400
Resin.. . . . cwt.	.....	1,938	.....	3,862
Fuel oil, ex-warehoused for ships' stores .. gal.	.....	188,650	.....	3,641

The comparison of these sets of figures (Canadian imports from Mexico and Mexican exports to Canada) clearly indicates how Mexican products lose their identity as exports to Canada on account of being routed through the United States.

#### MEXICAN IMPORTS FROM CANADA

The total value of Mexico's importations from Canada in 1935 was, according to Mexican statistics, 3,171,123 pesos as compared with 2,321,369 pesos in 1934. This increase was due to a general expansion in the trade, better statistical recording of imports, and to the introduction of a number of new commodities during 1935. The value in pesos of the principal Mexican importations from Canada during 1935, with comparative values for 1934 (where available) within parentheses, were as follows:—

Black alkaline cyanide in flakes, 1,161,979 (shown in 1934 as import from the United States); barley, 390,881 (not shown); aluminium paper sheets, 104,721 (29,729); automobile engines and parts, 104,174 (10,549); oilcloth and linoleum, 104,040 (119,410); electric meters, 93,475 (99,505); hides, 84,394 (84,224); bleached sulphite pulp, 68,909 (344,752); belting of animal fibre, 55,962 (101,353); paper other than natural colour of pulp, 47,437 (15,134); rubber belting, 45,897 (31,156); ploughs, 45,125 (20,414); tires, 39,742 (91,546); potash and soda cyanides, 29,077 (19,453); spark plugs, 26,068 (158); spare parts for machinery n.o.p., 25,954 (39,962); malt, 24,789 (102,918); small iron and steel articles n.o.p., 24,789 (included in several categories during 1934); silk hosiery (in combination with other fabrics), 22,186 (59,898); alcoholic beverages, 20,593 (68,293); printing presses, 20,570 (not shown); power-driven machinery n.o.p., 19,766 (2,297); bars and sheets of copper and alloys, 19,089 (22,237); razor blades, 18,924 (3,786); wool, velvet, and other animal fibres excepting silk, 16,874 (2,206); metal cables, insulated and reinforced, 14,207 (155,574); asbestos sheets n.o.p., 13,743 (13,712); tanned hides, with hair, n.o.p., 13,255 (24,446); rubber hose, 12,753 (10,149); live sheep, for breeding, 11,658 (not shown); piping (wood-pulp and compressed asphalt), 11,364 (5,750); agricultural implements n.o.p., 10,812 (2,689); paper (natural colour of pulp), 10,274 (5,296); copper rods, V-shaped, 9,997 (11,182); repair parts for railway cars n.o.p., 9,551 (not shown); crude palm oil, 9,245 (not shown); hand tools of all kinds n.o.p., 8,783 (7,581); tin and alloy accessories for machines, 8,783 (5,436); small articles of iron and steel n.o.p., 8,287 (22,399); railway switches, frogs, etc., 8,149 (not shown); ploughs n.o.p., 8,142 (112); passenger motor cars, 8,107 (217,071); rubber sheetings n.o.p., 7,990 (8,427); railway equipment n.o.p., 7,946 (not shown); wheat, 7,395 (6,189); tea, 7,121 (3,719); rubber tubing, 7,022 (9,207); zinc n.o.p., 6,748 (14,861); rubber gloves, 6,633 (not shown); tanned hides, without hair, n.o.p., 6,605 (84,224); pure silk stockings and socks, 6,602 (1,848); repair parts for machines n.o.p., 6,263 (8,362); linoleum and oilcloth n.o.p., 6,134 (not shown); paints and varnishes n.o.p., 6,127 pesos (4,172).

Other of the more important articles which make up a total of about 250 commodity classifications were imported in lesser quantities, in values from 6,000 pesos down to more than 500 pesos, include the following:—

Leather manufactures n.o.p., leather gloves n.o.p., brushes, straw braid for hat manufacture, lumber, barrels, wooden furniture, glass bottles, spectacles, glassware, aluminium wire and cables, aluminium bars and rods, aluminium sheets, other aluminium manufactures, bars and sheets of copper and alloys n.o.p., manufactures of copper and alloys n.o.p., lead wire, galvanized wire and products, iron and steel pipes and unions n.o.p., tire chains, metal bottle tops, woven wire strips up to 5 centimetres in width, metal pencil holders, bronze and aluminium powder, insulated wire n.o.p., copper wire n.o.p., insulated cables n.o.p., electrical transmission brackets and crossarms, porcelain or glass insulators, electrical transmission equipment n.o.p., vulcanizing rubber cloth, elastic webbing, gas mantles, woollen textiles n.o.p., adhesive tape, clothing of cotton n.o.p., woollen hosiery, woollen clothing, copper sulphate, calcium carbide, iron oxides, raw mineral colours, paints and varnishes n.o.p., printing ink, proprietary medicines, alcoholic beverages n.o.p., footwear of all kinds n.o.p., rubber toys, rubber manufactures n.o.p., hard rubber tubing, paper and paper products, wallpaper, fine papers, prints and calendars, printed cash register paper, documentary paper, catalogues and directories, books and magazines, felt hat shapes, instructive collections, bats and racquets, electric apparatus, typewriters, machines of various kinds n.o.p., electric stoves, electric switches, cocks and valves, tires and other moulds, spare and repair parts for machinery and automobiles n.o.p., picks and shovels, ammunition, inner tubes for bicycles and motor cars n.o.p.

### CANADIAN EXPORTS TO MEXICO

A further very clear example of the discrepancy between Mexican and Canadian statistics is indicated by a comparison of both the value for total Canadian exports to Mexico (\$1,800,858 in 1935 and \$1,877,256 in 1934) and for the individual items with the values shown by Mexico for total imports from Canada (3,171,123 pesos or \$880,867 in 1935 and 2,321,369 pesos or \$644,824 in 1934) and for individual commodities. The Mexican statistics show an important increase of imports from Canada in 1935 over the previous year of approximately 30 per cent while those of the Dominion Bureau indicate a recession of some 4 per cent. While it is difficult to make a categorical statement as to the actual position, the bettered economic position of Mexico in 1935 would perhaps lead to the belief that the Canadian exports to Mexico in 1934 were at least maintained in the following year. Below are set out the quantities and values of exports to Mexico in order of value for 1935 as shown by the Dominion Bureau of Statistics. For purposes of comparison of values in dollars for particular commodities with the corresponding ones indicated in the Mexican import statistics, as set out in the next preceding section, the peso values should be divided by 3.60. Figures in parentheses are for 1934:—

Classification	Quantity		Value in Dollars	
	1935	1934	1935	1934
Total.. . . .			1,800,858	1,877,256
Soda and sodium compounds.. . . .cwt.	160,450	160,262	1,021,660	1,027,371
Newsprint.. . . .cwt.	39,978		66,826	
Barley (malting) . . . . .bus.	144,998		59,099	
Acids.. . . .cwt.	6,293	4,720	57,681	42,479
Copper wire.. . . .			56,336	82,165
Electrical apparatus.. . . .			51,394	62,189
Oilcloth and linoleum.. . . .sq. yd.	257,651	261,426	36,572	35,709
Malt.. . . .bus.	25,760	8,641	32,375	8,407
Ferro-silicon.. . . .ton	412	301	28,126	23,012
Aluminium manufactures, n.o.p.. . . .			26,755	14,672
Farm implements.. . . .			26,515	7,954
Aluminium bars.. . . .cwt.	1,096	474	24,605	10,711
Abrasives, artificial, crude.. . . .cwt.	9,000	18,003	22,384	55,716
Felt.. . . .			21,868	41,513
Ships sold to other countries.. . . .No.	1		20,000	
Rubber belting.. . . .lb.	54,520	44,486	19,138	15,508
Silk socks and stockings.. . . .doz. pr.	3,064	2,081	18,252	12,283
Woodpulp, sulphite, bleached.. . . .cwt.	8,448	34,666	15,598	73,438
Upper leathers, n.o.p.. . . .			13,059	
Pneumatic tires, n.o.p.. . . .No.	1,336	1,862	12,429	14,712
Brushes.. . . .			10,303	6,068
Needles.. . . .			9,655	8,008
Machinery, n.o.p.. . . .			9,523	9,353
Whisky.. . . .pf. gal.	2,235	1,911	8,956	9,146
Asbestos.. . . .			8,577	5,715
Rubber hose.. . . .			6,802	6,123
Wool fabrics.. . . .yd.	4,722	2,775	6,320	4,162

## TRADE OUTLOOK

In 1935 the improvement in conditions noted in 1934 continued, though at a slower rate. In view of the labour disputes that distracted the country, the year may be characterized as fairly satisfactory for importing interests. The trend, however, is towards greater economic self-sufficiency. This is reflected in the industrial development which is taking place, clearly tending to reduce Mexico's requirements from abroad to raw, semi-manufactured and, in a minor degree, luxury products. Despite domestic prosperity resultant from depreciated currency and large exports of silver, the factor of price, always most important in Mexico, was accentuated beyond recent previous experience.

As will be noted from the foregoing statistics, the import trade of Mexico has been dominated by three countries, namely, the United States, Great Britain, and Germany. Imports from Great Britain, however, declined materially during 1935; those from Germany, on the other hand (largely as the result of the use of the compensation mark), materially increased. For those products which the United States does not export in great volume, particularly certain chemicals, newsprint, pulpwood, malting barley, and numerous small articles which are competitive, imports from the Dominion in the near future are likely to show annual increases.

## TRADE OF COLOMBIA IN 1935

R. A. CAMERON, ASSISTANT TRADE COMMISSIONER

Panama City, R.P., August 5, 1936.—In both volume and value Colombian trade, although showing small declines in exports, was well maintained during 1935. The volume of exports amounted to 2,676,967,000 kilos as compared with 2,697,989,000 kilos in 1934, a decline of 21,022,000 kilos. The value of the exports, including gold, was 142,793,000 pesos, a decline of 9,286,000 pesos.

Imports, on the other hand, showed increases. In volume 1935 imports amounted to 270,401,000 kilos as compared with 267,601,000 kilos in 1934, a gain of 2,800,000 kilos. In value they totalled 106,854,000 pesos as compared with 87,559,000 pesos, a gain of 19,295,000 pesos.

Any comparison of the trade in the two years in terms of value must take into consideration the fact that the average exchange rate of the peso in 1935 was 1·7830 peso to the United States dollar; in 1934 the rate was 1·6255.

## EXPORTS

The following table shows the 1935 volume and value of Colombian exports to principal countries:—

	Kilos	Pesos
Total.. . . . .	2,676,967,000	142,793,000
To Germany.. . . . .	64,834,991	14,703,710
France.. . . . .	386,922,374	7,821,076
Italy.. . . . .	51,712,484	1,441,191
Netherlands.. . . . .	23,328,297	2,841,214
United Kingdom.. . . . .	20,656,039	2,025,182
Canada.. . . . .	474,245,798	7,225,360
United States.. . . . .	801,358,230	74,702,845
United States (gold).. . . . .	.....	19,186,169
Other countries.. . . . .	853,909,273	12,841,301

The principal commodities exported by Colombia in 1935 (exclusive of gold) were coffee, petroleum, bananas, cow hides, alligator hides, and platinum and its alloys. These items, together with gold, comprise 99 per cent of Colombia's total exports. The following statement shows the extent to which various countries purchased these particular lines. For purposes of comparison the 1934 figures are given in parentheses.

Coffee exports for 1935 totalled 226,134,444 (184,053,392) kilos valued at 79,221,723 (82,459,231) pesos. Canada ranked fifth as a buyer of Colombian coffee, purchasing 3,397,507 kilos valued at 1,176,750 pesos. Coffee shipments were made to the following countries:—

	Kilos	Pesos
United States.. . . . .	174,095,496	60,750,709
Germany.. . . . .	34,579,112	12,407,791
France.. . . . .	3,421,188	1,192,432
Netherlands.. . . . .	3,428,637	1,184,732
Canada.. . . . .	3,397,507	1,176,750

Crude petroleum was Colombia's second most important export, amounting to 2,278,646,890 (2,350,608,070) kilos valued at 29,099,305 (28,161,875) pesos. Shipments were made to the following countries:—

	Kilos	Pesos
Dutch West Indies.. . . . .	835,775,820	9,718,231
United States.. . . . .	539,620,139	6,896,671
Canada.. . . . .	470,848,290	6,048,580
France.. . . . .	368,125,770	5,502,575

Exports of bananas totalled 155,540,974 (144,029,959) kilos valued at 8,939,249 (6,124,237) pesos. The principal purchasers were the United States, the United Kingdom, the Netherlands, and Germany.

Exports of cow hides amounted to 6,868,651 (7,088,964) kilos valued at 2,681,175 (2,870,380) pesos, and were made principally to Belgium, Germany, the United States, the Netherlands, and the United Kingdom.

Alligator hide exports amounted to 43,425 (116,047) kilos valued at 23,919 (78,033) pesos, principally to the United States. Platinum and its alloys was exported to the value of 2,088,469 (2,720,649) pesos, the United States and the United Kingdom being the chief purchasers.

#### IMPORTS

Colombian imports during 1935 amounted to 270,401,006 (267,601,000) kilos valued at 106,454,058 (87,559,000) pesos. European countries are credited with 42·2 per cent of the total volume and 49·1 per cent of the total value, and North American countries (Canada and the United States) with 42·5 per cent of the total volume and 41·9 per cent of the total value. According to the Colombian trade returns, Canada supplied 2·8 per cent of the total volume and 0·5 per cent of the total value. It should be noted, however, that Canadian goods shipped from United States ports are frequently listed in the Colombian returns as being of United States origin.

The following table gives the origin of Colombian imports, showing the volumes and values supplied by the principal countries:—

#### *Imports into Colombia in 1935 by Principal Countries*

Supplying Countries	Kilos	Pesos
Total imports.. . . . .	270,401,006	106,454,058
Value of insurance and freight.. . . . .		12,822,000
C.i.f. value of imports.. . . . .		119,676,000
From Germany.. . . . .	57,797,185	20,007,431
Belgium and Luxemburg . . . . .	6,824,738	1,419,003
Spain.. . . . .	1,237,742	1,278,239
France.. . . . .	2,098,167	4,243,068
United Kingdom.. . . . .	19,460,907	17,878,888
Canada.. . . . .	7,449,105	574,901
United States.. . . . .	107,475,739	44,228,608
Japan.. . . . .	6,030,986	5,904,672

#### NOTES ON IMPORT COMMODITIES

The following statement gives the volumes and values of some of Colombia's leading imports during 1935 interesting to Canadian firms (1934 figures within parentheses), and shows the principal countries supplying each commodity:—

*Oats (including Rolled Oats).*—670,522 (817,883) kilos valued at 147,916 (163,414) pesos: United States, 398,647 kilos valued at 113,624 pesos; Chile, 183,271 kilos valued at 23,652 pesos; Canada, 82,139 kilos valued at 9,364 pesos.

*Wheat.*—13,150,352 (10,517,880) kilos valued at 889,291 (575,180) pesos: United States, 9,248,788 kilos valued at 652,388 pesos; Canada, 3,250,388 kilos valued at 192,076 pesos; Chile, 490,960 kilos valued at 35,963 pesos.

*Wheat Flour.*—395,512 (376,507) kilos valued at 44,308 (32,472) pesos: United States, 268,378 kilos valued at 31,219 pesos; Panama, 105,828 kilos valued at 6,700 pesos; Venezuela, 17,451 kilos valued at 5,887 pesos. (The imports credited from Panama and Venezuela undoubtedly originated in Canada and the United States.)

*Hops.*—143,405 (150,634) kilos valued at 360,242 (395,357) pesos: Germany, 136,997 kilos valued at 321,993 pesos; United States, 3,560 kilos valued at 31,578 pesos.

*Malt.*—3,808,219 (6,185,225) kilos valued at 604,730 (865,048) pesos: Germany, 2,906,980 kilos valued at 460,168 pesos; Czechoslovakia, 901,177 kilos valued at 144,539 pesos.

*Leaf Tobacco.*—40,622 (35,892) kilos valued at 128,406 (106,992) pesos: practically all from the United States.

*Live Cattle.*—23,622 head weighing 4,127,648 kilos (1,938,639) valued at 666,495 (283,994) pesos: practically all from Venezuela.

*Lumber, Rough.*—1,644,667 kilos valued at 65,109 pesos: United States, 1,555,241 kilos valued at 63,523 pesos; Canada, 82,403 kilos valued at 1,092 pesos.

*Lumber, Dressed.*—178,410 kilos valued at 14,085 pesos: United States, 131,433 kilos valued at 91,179 pesos; Sweden, 25,457 kilos valued at 3,096 pesos. (Imports of lumber both rough and dressed in 1934 amounted to 5,586.025 kilos valued at 175,410 pesos.)

*Raw Asbestos.*—39,212 (37,306) kilos valued at 4,009 (5,444) pesos: United States, 20,885 kilos valued at 2,636 pesos; United Kingdom, 18,031 kilos valued at 1,063 pesos.

*Insecticides or Disinfectants.*—552,468 (849,350) kilos valued at 301,258 (386,320) pesos: United States, 272,535 kilos valued at 129,370 pesos; Germany, 51,399 kilos valued at 85,140 pesos; United Kingdom, 190,233 kilos valued at 69,555 pesos; Japan, 36,159 kilos valued at 14,631 pesos.

*Tanning Ingredients.*—595,746 (474,032) kilos valued at 106,070 (46,726) pesos: Argentina, 469,033 kilos valued at 67,333 pesos; United States, 64,950 kilos valued at 17,319 pesos; Germany, 57,357 kilos valued at 19,827 pesos.

*Tanned Leathers.*—103,380 (55,315) kilos valued at 673,471 (384,736) pesos: United States, 47,245 kilos valued at 304,643 pesos; Germany, 39,424 kilos valued at 263,484 pesos; Netherlands, 6,684 kilos valued at 54,832 pesos; United Kingdom, 3,450 kilos valued at 18,320 pesos.

*Iron and Steel in Ingots and Bars.*—12,024,329 kilos valued at 939,653 pesos (no 1934 statistics): Germany, 6,198,373 kilos valued at 415,754 pesos; United States, 3,137,212 kilos valued at 320,502 pesos; Belgium, 1,989,982 kilos valued at 121,629 pesos.

*Iron and Steel Sheets.*—12,516,504 (8,826,100) kilos valued at 1,370,412 (879,478) pesos: United States, 8,950,853 kilos valued at 995,717 pesos; Germany, 3,170,445 kilos valued at 330,659 pesos; Belgium, 215,702 kilos valued at 22,746 pesos; United Kingdom, 120,495 kilos valued at 14,986 pesos.

*Yeast.*—174,338 (144,426) kilos valued at 147,353 (97,462) pesos: almost all from the United States.

*Pharmaceutical Specialties.*—101,418 kilos valued at 1,112,807 pesos (no 1934 statistics): Germany, 27,127 kilos valued at 508,533 pesos; United States, 35,741 kilos valued at 332,977 pesos; France, 32,409 kilos valued at 321,941 pesos; United Kingdom, 2,635 kilos valued at 18,910 pesos; Canada, 320 kilos valued at 2,731 pesos.

*Prepared Paints.*—197,727 kilos valued at 199,626 pesos: Germany, 48,021 kilos valued at 81,821 pesos; United States, 117,927 kilos valued at 85,850 pesos; United Kingdom, 15,589 kilos valued at 15,658 pesos.

*Varnishes.*—242,345 kilos valued at 151,179 pesos (1934 imports of both paints and varnishes 466,376 kilos valued at 302,040 pesos): United States, 207,578 kilos valued at 123,840 pesos; Germany, 27,749 kilos valued at 26,640 pesos.

*Dynamite.*—566,755 (557,704) kilos valued at 358,749 (374,849) pesos: United Kingdom, 135,206 kilos valued at 121,339 pesos; Germany, 163,842 kilos valued at 100,050 pesos; United States, 188,449 kilos valued at 82,290 pesos.

*Lubricating Oils and Grease.*—2,761,673 (2,948,396) kilos valued at 549,210 (485,033) pesos: United States, 2,418,567 kilos valued at 492,884 pesos; Dutch West Indies, 210,733 kilos valued at 23,650 pesos; United Kingdom, 52,473 kilos valued at 14,353 pesos; Germany, 34,366 kilos valued at 10,335 pesos; Canada, 23,455 kilos valued at 5,260 pesos.

*Woollen Cloth.*—574,425 kilos valued at 3,164,215 (2,792,055) pesos: United Kingdom, 317,457 kilos valued at 1,787,085 pesos; Italy, 621,676 kilos valued at 416,940 pesos; Germany, 72,343 kilos valued at 384,125 pesos; France, 58,110 kilos valued at 298,135 pesos; Japan, 31,995 kilos valued at 135,477 pesos; United States, 2,270 kilos valued at 11,373 pesos.

*Raw Cotton Cloth.*—1,155,462 (1,255,533) kilos valued at 1,042,338 (1,112,430) pesos: Japan, 717,921 kilos valued at 591,471 pesos; United States, 328,630 kilos valued at 363,057 pesos; China, 56,095 kilos valued at 34,428 pesos; United Kingdom, 34,224 kilos valued at 37,100 pesos; Germany, 10,992 kilos valued at 8,201 pesos.

*Bleached Goods (Cotton).*—694,458 kilos valued at 1,051,276 pesos (no 1934 statistics): United Kingdom, 343,936 kilos valued at 582,536 pesos; Japan, 252,729 kilos valued at 306,653 pesos; United States, 80,723 kilos valued at 139,164 pesos; Germany, 5,503 kilos valued at 6,503 pesos.

*Cotton Drills.*—1,889,424 (1,576,998) kilos valued at 3,154,929 (2,404,547) pesos: United Kingdom, 799,254 kilos valued at 1,434,037 pesos; Italy, 396,580 kilos valued at 725,866 pesos; Japan, 432,453 kilos valued at 555,777 pesos; Belgium, 91,032 kilos valued at 150,496 pesos; United States, 83,692 kilos valued at 132,715 pesos.

*Dyed Cotton Fabrics.*—2,681,871 (2,476,044) kilos valued at 5,938,084 (5,531,199) pesos: United Kingdom, 1,779,108 kilos valued at 4,354,735 pesos; Japan, 569,251 kilos valued at 803,443 pesos; United States, 232,653 kilos valued at 515,530 pesos; Germany, 24,426 kilos valued at 52,453 pesos.

*Cotton Fabrics (Printed).*—1,716,142 kilos valued at 3,493,304 pesos (no 1934 statistics available): United Kingdom, 762,553 kilos valued at 1,752,311 pesos; Japan, 661,862 kilos valued at 1,022,504 pesos; United States, 161,211 kilos valued at 344,295 pesos; Germany, 59,856 kilos valued at 144,662 pesos.

*Hosiery (Cotton).*—211,782 kilos valued at 1,397,729 pesos: Germany, 98,008 kilos valued at 992,291 pesos; Japan, 85,871 kilos valued at 254,887 pesos; United States, 16,958 kilos valued at 60,615 pesos.

*Hosiery (Silk).*—8,571 (6,781) kilos valued at 243,868 pesos (176,892): United States, 6,894 kilos valued at 212,618 pesos; Germany, 1,490 kilos valued at 26,166 pesos.

*Rubber Tires (Solid and Pneumatic).*—1,068,227 (1,115,327) kilos valued at 1,272,655 (1,169,373) pesos: United States, 883,722 kilos valued at 1,034,827 pesos; France, 66,222 kilos valued at 97,808 pesos; Canada, 47,907 kilos valued at 62,964 pesos; United Kingdom, 46,947 kilos valued at 52,312 pesos; Japan, 10,947 kilos valued at 7,850 pesos; Germany, 5,117 kilos valued at 7,065 pesos.

*Wrapping Paper (One Shade).*—3,708,217 (3,748,049) kilos valued at 625,443 (584,751) pesos: United States, 1,206,645 kilos valued at 232,339 pesos; Germany, 780,148 kilos valued at 131,346 pesos; Sweden, 525,160 kilos valued at 58,752 pesos; Denmark, 217,796 kilos valued at 56,797 pesos; Canada, 232,259 kilos valued at 24,036 pesos.

*Newsprint.*—5,120,080 kilos valued at 384,932 pesos: Germany, 1,341,314 kilos valued at 121,955 pesos; Canada, 1,219,154 kilos valued at 64,605 pesos; United States, 773,071 kilos valued at 66,783 pesos; Sweden, 786,270 kilos valued at 47,236 pesos; Denmark, 225,825 kilos valued at 25,301 pesos.

*Printing Paper (Coated).*—3,119,544 kilos valued at 505,705 pesos (1934 imports of this item are grouped with imports of newsprint amounting to 7,171,260 kilos valued at 808,062 pesos): Germany, 1,289,363 kilos valued at 221,390 pesos; United States, 445,026 kilos valued at 93,629 pesos; Sweden, 527,283 kilos valued at 64,881 pesos; Norway, 302,911 kilos valued at 39,400 pesos.

*Iron and Steel Piping.*—9,201,220 (4,501,219) kilos valued at 1,767,568 (882,759) pesos: United States, 5,385,610 kilos valued at 1,133,390 pesos; Germany, 3,006,868 kilos valued at 451,543 pesos; United Kingdom, 285,145 kilos valued at 75,042 pesos; Sweden, 61,518 kilos valued at 21,767 pesos; Belgium, 108,332 kilos valued at 17,079 pesos.

*Iron and Steel Wire.*—3,174,791 (3,990,033) kilos valued at 421,903 (490,079) pesos: Germany, 1,471,581 kilos valued at 188,559 pesos; United States, 1,302,414 kilos valued at 151,328 pesos; United Kingdom, 154,088 kilos valued at 45,701 pesos; Japan, 190,775 kilos valued at 27,778 pesos.

*Barbed Wire.*—7,891,983 (8,618,507) kilos valued at 764,784 (821,691) pesos: Germany, 4,821,410 kilos valued at 454,909 pesos; United States, 2,161,433 kilos valued at 205,975 pesos; Belgium, 820,441 kilos valued at 94,410 pesos.

*Agricultural and Industrial Tools.*—1,493,425 (1,052,247) kilos valued at 1,078,903 (692,335) pesos: Germany, 469,041 kilos valued at 451,127 pesos; United Kingdom, 681,508 kilos valued at 324,535 pesos; United States, 315,629 kilos valued at 289,840 pesos; Canada, 3,877 kilos valued at 1,065 pesos.

*Electrical Motors, Dynamos, Transformers.*—327,495 (599,974) kilos valued at 424,987 (625,297) pesos: United States, 208,735 kilos valued at 318,441 pesos; Sweden, 58,669 kilos valued at 38,287 pesos; Germany, 21,229 kilos valued at 27,876 pesos; United Kingdom, 20,724 kilos valued at 24,010 pesos.

*Radio Electrical Apparatus.*—605,371 (269,085) kilos valued at 1,913,581 (774,900) pesos: United States, 561,441 kilos valued at 1,751,168 pesos; Germany, 9,572 kilos valued at 27,597 pesos; United Kingdom, 1,001 kilos valued at 16,791 pesos.

*Mining Machinery.*—3,039,527 kilos valued at 2,018,084 pesos (no 1934 statistics): United States, 2,283,834 kilos valued at 1,530,742 pesos; United Kingdom, 431,919 kilos valued at

243,465 pesos; Germany, 223,709 kilos valued at 126,736 pesos; Canada, 3,412 kilos valued at 7,550 pesos.

*Sewing Machines and Accessories.*—477,365 (265,738) kilos valued at 608,959 (351,049) pesos: United States, 357,817 kilos valued at 463,512 pesos; Germany, 107,455 kilos valued at 134,810 pesos; United Kingdom, 5,998 kilos valued at 6,924 pesos.

*Agricultural Machinery.*—1,115,936 (262,909) kilos valued at 742,153 (148,589) pesos: United States, 867,680 kilos valued at 592,298 pesos; United Kingdom, 82,823 kilos valued at 75,679 pesos; Germany, 122,350 kilos valued at 62,959 pesos; Canada, 1,614 kilos valued at 529 pesos.

*Machinery for Industry Akin to Agriculture.*—938,543 kilos valued at 763,337 pesos (no 1934 statistics): Germany, 265,903 kilos valued at 337,965 pesos; United States, 299,707 kilos valued at 261,673 pesos; United Kingdom, 235,452 kilos valued at 112,817 pesos.

*Automobiles.*—3,078,600 (1,883,116) kilos valued at 2,483,338 (1,364,817) pesos: United States, 1,705 units valued at 2,187,948 pesos; Venezuela, 290 units valued at 229,026 pesos (of American origin).

*Trucks.*—2,052,082 (2,160,903) kilos valued at 1,364,941 (1,258,477) pesos: United States, 487 units valued at 1,281,503 pesos; Germany, 10 units valued at 22,263 pesos; Canada, 7 units valued at 9,223 pesos.

## LIQUIDATION OF CANADIAN FROZEN ACCOUNTS IN BRAZIL

Mr. L. S. Glass, Canadian Trade Commissioner in Rio de Janeiro, writes under date August 12 that on August 6 the Bank of Brazil issued instructions to the various banks holding Canadian bills representing shipments, the payments for which had been blocked by exchange restrictions, that foreign exchange would be supplied to cover the value of these bills within thirty days.

It may be expected therefore that remittances will be received by Canadian exporters having frozen credits within thirty days of August 6, plus the time required for the actual transmission of the funds.

## ARGENTINE WHEAT ACREAGE, 1936

The Canadian Trade Commissioner at Buenos Aires writes that the Argentine Department of Agriculture issued under date August 22 the first estimate of the acreage seeded this year to wheat and other cereals. The acreage in wheat is estimated officially at 16,796,000 acres or 2,593,500 acres more than last year, but is 2,622,868 acres less than the last ten-year average and 1,150,180 acres below the last five-year average. The acreages in other cereals with the acreage seeded in 1935 and for the last five-year average respectively within parentheses are as follows: flax, 7,286,500 acres (6,570,200 and 7,510,815 acres); oats, 2,964,000 acres (2,951,650 and 3,432,563 acres); barley, 1,976,000 acres (1,938,950 and 1,745,158 acres); and rye, 1,729,000 acres (1,748,760 and 1,729,933 acres).

## INFORMATION ON EXCHANGE RESTRICTIONS

During the period of unsettled exchange conditions in many countries, it has been the practice to publish in the *Commercial Intelligence Journal* from time to time fairly complete reviews of the principal features of the exchange situation in countries regarding which it is most important that Canadian exporters be adequately informed. Canadian Trade Commissioners resident in territories where exchange control is in force are under instruction to prepare reports for publication dealing with major alterations in the methods of control and with revisions of policy or of regulations that affect imports from Canada. Apart from these published reports, the Commercial Intelligence Service has on file unpublished data which will be freely furnished, on request, to Canadian firms desiring information with regard to exchange conditions in specified countries.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### Certificates of Origin for British Preferences

Canadian exporters are reminded of the importance of supplying correct certificates of origin for goods entitled to preferential tariff treatment in Empire countries. The regulations to be observed vary enough to preclude use of uniform documentation for the different British markets. As regards the principal market, the United Kingdom, goods regarded as growth or produce require 100 per cent Empire content; optical goods and parts require 75 per cent; a selected list of manufactured goods (see F.T.D. Leaflet No. 95) require 50 per cent; for other manufactured goods 25 per cent Empire content suffices. A small number of ingredients must qualify independently for preference. Each "article" is subject to the preference test separately, so that when machinery, etc., is shipped to the United Kingdom knocked-down each separate assembly or part must qualify in itself to be entitled to preference. Notice 27A of the London Custom House, issued in March, 1935, prescribes appropriate forms as follows: D, 119 (Sale), for growth or produce; E, 120 (Sale), for manufactured goods; F, 121 (Sale), for manufactured tobaccos and sugars; FF, 122 (Sale), a supporting certificate for ingredients.

### Australian Customs Decisions

Recent decisions of the Australian Department of Customs as to the classification and rates of duty on goods regarding which question had been raised include the following:—

Moulders' chaplets or studs for use in connexion with the production of foundry castings are now admitted as manufactures for use in an Australian industry, free of duty under the British preferential tariff and subject to duty of 15 per cent ad val. under the general tariff. Formerly they were dutiable as unspecified metal manufactures at 30 per cent and 57½ per cent ad val. under the respective tariffs if of brass, bronze or gunmetal, and 45 per cent and 65 per cent respectively if of other metal. Paper stapling appliances which make their own staples from a spool or roll of wire, Rawl plug drills and American hammer twist drills for drilling holes in masonry are free of duty under the British preferential tariff and 15 per cent ad val. under the general tariff.

The following are added to the list of goods admissible as materials or minor articles for the manufacture of goods in Australia, also free of duty under the British preferential tariff and 15 per cent ad val. under the general tariff:—

Asbestos felt in sheet form, less than 1/32 inch in thickness for the manufacture of bituminous roofing and damp-course; manila paper for the manufacture of abrasive papers; tinned wire of iron or steel, finer than No. 26 gauge, for the manufacture of woven wire; iron and steel strips not exceeding 12 inches in width, brassed, nickelled or plated, not further manufactured than polished or decorated, for all purposes; undressed hemlock and spruce timber 1 inch and over in thickness for making boxes for packing eggs for export; ring elements for manufacturing household electric washing coppers; slyphon bellows for all purposes; butyl acetate for use in the manufacture of japanned or enamelled leathers, lacquers, paints and varnishes, thinners and wood finishes.

The British preferential rates apply to products or manufactures of Canada. The general tariff rates apply to all countries outside the British Empire.

### Wheat Import Restriction in Southern Rhodesia

A Southern Rhodesian proclamation gazetted July 31, 1936, prohibits, except under permit issued by the Minister of Finance, the importation of wheat grown elsewhere than in Northern Rhodesia or in South Africa south of the Zambesi River.

### Netherlands Import Restrictions on Feeding Cakes

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Rotterdam, writes under date August 5, 1936, that the restrictions on the importation into the Netherlands of feeding cakes, to which reference was made in *Commercial Intelligence Journal* No. 1646 (August 17, 1935), page 273, have again been extended. During the period from August 1, 1936, to July 31, 1937, imports of:

- (a) Coconut cakes shall be limited to 30 per cent of the average gross weight imported from each exporting country per twelve months during the period from July 1, 1931, to June 30, 1933.
- (b) All other types of feeding cakes shall not exceed 100 per cent of the gross weight imported from each exporting country during the period from August 1, 1935, to July 31, 1936.

It is specified, however, that the Ministry of Commerce, Industry, and Shipping may grant special quotas to designated countries.

A certificate of origin is required for entry of the above-mentioned commodities.

### Cuba Removes Consumption Tax on United States Flour

With reference to the notice in *Commercial Intelligence Journal* No. 1599, September 22, 1934 (page 489), to the effect that the United States-Cuban Trade Agreement effective on September 3, 1934, provided for removal of a consumption tax of one-half cent per pound on wheat flour at the end of two years, Mr. E. L. McColl writes that the Cuban Official Gazette of July 21, 1936, contains a circular from the Director-General of Customs to customs officials removing this tax as from September 3, 1936, in the case of flours of United States origin.

### Southern Rhodesian Tariff Changes

The Southern Rhodesia Government *Gazette* of July 31, 1936, contains a number of changes in the customs tariff. Former and new rates of duty on items of interest to Canada are:—

	Former Rates		New Rates	
	British Preferential	General	British Preferential	General
Sugar (other than candy, loaf, castor, icing and cube), including golden and maple syrup, molasses, saccharine, glucose and treacle, per 100 lbs. . . . .	1s. 9d.	2s. 3d.	2s.	3s.
Bicycles, tricycles, motor cycles, trailers and sidecars and spare parts and accessories, but not including electric light bulbs, tires and tubes imported separately, ad. val. . . . .	12½%	50%	12½%	100%
If wholly manufactured in Great Britain or Northern Ireland, ad. val. . . . .	5%	—	5%	—
Electric batteries, ad. val. . . . .	5%	20%	Free	15%
Bridge work of iron or steel, ad. val. . . . .	10%	20%	Free	5%
Paper patterns, plain or printed, ad. val. . . . .	10%	20%	Free	Free

Canadian products are subject to the British preferential tariff rates in each case.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 31

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the weeks ending August 31 and August 24, 1936, with the official bank rate.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 24	Nominal Quotations in Montreal Week ending Aug. 31	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1885	\$ .1885	3½
Belgium . . . . .	Belga	.1001	.1689	.1688	2
Bulgaria . . . . .	Lev	.0072	.0130	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0413	.0413	3
Denmark . . . . .	Krone	.2680	.2246	.2245	3½
Finland . . . . .	Markka	.0252	.0222	.0221	4
France . . . . .	Franc	.0392	.0658	.0658	3
Germany . . . . .	Reichsmark	.2382	.4025	.4022	4
Great Britain . . . . .	Pound	4.8666	5.0325	5.0304	2
Greece . . . . .	Drachma	.0130	.0094	.0094	7
Holland . . . . .	Guilder	.4020	.6791	.6790	3
*Hungary . . . . .	Pengo	.1749	.2960	.2950	4
Italy . . . . .	Lira	.0526	.0787	.0787	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0229	5
Norway . . . . .	Krone	.2680	.2528	.2527	3½
Poland . . . . .	Zloty	.1122	.1882	.1882	5
Portugal . . . . .	Escudo	.0442	.0455	.0459	4½
Roumania . . . . .	Leu	.0060	.0073	.0073	4½
Spain . . . . .	Peseta	.1930	.1366	.1365 Nom.	5
Sweden . . . . .	Krona	.2680	.2594	.2593	2½
Switzerland . . . . .	Franc	.1930	.3261	.3259	2½
United States . . . . .	Dollar	1.0000	1.0004	1.0000	1½
Mexico . . . . .	Peso	.4985	.2776	.2775	4-5
Cuba . . . . .	Peso	1.0000	.9995	.9990	—
Guadeloupe . . . . .	Franc	.0392	.0658	.0658	—
Jamaica . . . . .	Pound	4.8666	5.0425	5.0404	—
Martinique . . . . .	Franc	.0392	.0658	.0658	—
Other British West Indies	Dollar	1.0138	1.0485	1.0480	—
Argentina . . . . .	Peso (Paper)	.4245	.3356	.3353	3½
	Unofficial		.2771	.2815	—
Brazil . . . . .	Milreis (Paper)	.1196	.0851	.0863	—
	Unofficial		.0589	.0587	—
British Guiana . . . . .	Dollar	1.0138	1.0485	1.0480	—
Chile . . . . .	Peso	.1217	.0517	.0517	4½
	Unofficial		.0417	.0417	—
Colombia . . . . .	Peso	.9733	.5693	.5690	4
Peru . . . . .	Sol	.2800	.2501	.2500	6
Venezuela . . . . .	Bolivar	.1930	.2501	.2500	—
Uruguay . . . . .	Peso	1.0342	.7973	.7969	—
South Africa . . . . .	Pound	4.8666	5.0265	5.0241	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1525	5.1500	—
China (Shanghai) . . . . .	Dollar	.....	.3002	.3006	—
Hongkong . . . . .	Dollar	.....	.3116	.3118	—
India . . . . .	Rupee	.3650	.3799	.3797	3
Japan . . . . .	Yen	.4985	.2946	.2944	3.29
Java . . . . .	Guilder	.4020	.6823	.6824	4
Siam . . . . .	Baht (Tical)	.4424	.4613	.4611	—
Straits Settlements . . . . .	Dollar	.5678	.5902	.5894	—
Australia . . . . .	Pound	4.8666	4.0262	4.0243	—
New Zealand . . . . .	Pound	4.8666	4.0586	4.0568	2½

\* Unofficial: .1979.

Exchange restrictions are still in force in many countries and exporters, when in doubt as to the effect of such restrictions on their commitments—especially in respect to countries for which more than one rate of exchange is quoted—are invited to communicate with the Commercial Intelligence Service for information.

The Dominion Bureau of Statistics has supplied the following note:—

The irregular movement of small gold shipments from Paris to New York continued during the fourth week of August. Paris opinion was inclined to associate these shipments with the needs of regular trade and debt payments rather than to flights of capital. Balanced against these the repatriation of capital held abroad has been small, as to date the French Government has taken no action with regard to such holdings other than to require that they be declared. Sterling recently moved down about ½ cent for several days, but was back to its former level slightly above \$5.03 on August 29. New York funds remained at a premium of 1½ per cent at Montreal.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.	Chatham, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Stratford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Woodstock, Ont.	Vancouver, B.C.
Toronto, Ont.	St. Mary's, Ont.	New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Belleville, Ont.	Hamilton, Ont.
Kingston, Ont.	Peterborough, Ont.	Victoria, B.C.
Oshawa, Ont.	London, Ont.	Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Flour.....	613	Shanghai, China.....	Purchase.
Butter.....	614	Shanghai, China.....	Purchase.
Canned Goods.....	615	Manchester, England.....	Agency.
<b>Miscellaneous—</b>			
Feedstuffs.....	616	Philadelphia, U.S.A.....	Purchase.
Yarns, Wool, Coarse (for Manufacture of Blankets).	617	Lima, Peru.....	Purchase.
Scarfs.....	618	Deventer, Holland.....	Agency.
Neckwear (Ties of All Sorts).....	619	Deventer, Holland.....	Agency.
Ford Parts and Accessories (Complete Range).	620	Dublin, Irish Free State...	Purchase.

## DIRECT SERVICE FROM EASTERN CANADA TO SOUTH-WEST AFRICA

Arrangements have been concluded with the Elder Dempster Lines Limited whereby their steamer *Calumet*, sailing from Montreal in October next, will make a direct call at Walvis Bay, South-West Africa.

In this connection attention is directed to the report on South-West Africa and its Trade by Mr. G. R. Heasman, Canadian Trade Commissioner in Cape Town, published in *Commercial Intelligence Journal* No. 1700 (August 29, 1936), from which it would appear that there are opportunities for the development of Canadian trade in South-West Africa.

If the business offering for the sailing of the *Calumet* is satisfactory, it is probable that other sailings will follow. It is hoped that shippers will give all possible support in order to make this experimental call a success, as the first voyage will, of course, be a guide for the future.

Exporters desiring further information may obtain it from the Commercial Intelligence Branch of the Department of Trade and Commerce, or from the Elder Dempster Lines Limited, 133 Board of Trade Building, Montreal.

## PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

### From Montreal

*To Liverpool.*—Duchess of Richmond, Sept. 12; Duchess of York, Sept. 18; Duchess of Atholl, Sept. 25; Duchess of Bedford, Oct. 2; Montcalm, Oct. 3—all Canadian Pacific; Antonia, Sept. 11; Andania, Sept. 25—both Cunard-White Star Line.

*To London.*—Beaverhill, Sept. 11; Beaverford, Sept. 18; Beaverbrae, Sept. 25; Beaverdale, Oct. 2; Beaverburn, Oct. 9—all Canadian Pacific; Ascania, Sept. 11; Aurania, Sept. 18; Ausonia, Sept. 25; Alaunia, Oct. 2—all Cunard-White Star Line.

*To Manchester.*—Manchester Citizen, Sept. 10; Manchester Port, Sept. 17; Manchester Producer, Sept. 24; Manchester Commerce, Oct. 1; Manchester Division, Oct. 8—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Dakotian, Sept. 9; Norwegian, Sept. 26—both Cunard-Donaldson and Dominion Lines.

*To Southampton.*—Montcalm, Canadian Pacific, Sept. 11.

*To Cardiff, Bristol and Swansea.*—New York City, Sept. 18; Boston City, Oct. 7—both Bristol City Line.

*To Glasgow.*—Delilian, Sept. 11; Athenia, Sept. 18; Sulairia, Sept. 25; Letitia, Oct. 2—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnross, Sept. 10; Cairnesk (calls at Dundee), Sept. 24; Cairnglen, Oct. 8—all Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kelso, Sept. 18; Kyno, Oct. 9—both Ellerman's Wilson Line.

*To Dublin and Belfast.*—Kenbane Head, Sept. 10; Melmore Head, Sept. 17; Dunaff Head, Sept. 23; Lurigethan, Oct. 3—all Head Line (cargo accepted for Londonderry and Cork).

*To Antwerp and Havre.*—Columbia, Sept. 18; Kings County (does not call at Havre), Sept. 27—both County Line; Beaverford, Sept. 18; Beaverbrae, Sept. 25; Beaverdale, Oct. 2—all Canadian Pacific (do not call at Havre).

*To Rotterdam.*—Hada County, Sept. 8; Kings County, Sept. 27; Grey County, Oct. 10—all County Line.

*To Hamburg.*—Beaverhill, Canadian Pacific, Sept. 11; Frankfurt (calls at Bremen), North German Lloyd Line, Oct. 2.

*To Copenhagen, Gothenburg and Baltic Ports.*—Braheholm, Swedish-America-Mexico Line, Sept. 11.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Olympia, Gardiaz Line, Sept. 16.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Olmo, Capo Line, Sept. 22.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Belle Isle, Newfoundland-Canada SS. Co., Sept. 11 and 25.

*To Cornerbrook, Nfld.*—North Voyageur, Clarke SS. Co., Sept. 9.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Colborne (calls at St. Georges, Bermuda, and also at Guadeloupe and Martinique if sufficient cargo offered), Canadian National, Sept. 17.

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Cavelier (does not call at Hamilton or Nassau), Sept. 11; Lady Somers, Sept. 16—both Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Sept. 12; Lionel, Sept. 26—both Ocean Dominion SS. Corp.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Canadian Cruiser, Montreal Australia New Zealand Line, Sept. 28.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Benholm, Montreal Australia New Zealand Line, Sept. 21.

*To Manila, Hongkong, Shanghai, Yokohama, and Dairen.*—City of Salisbury, Canada Far East Line, Sept. 30; Myrmidon (does not call at Yokohama or Dairen), Blue Funnel Line, Nov. 14.

*To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.*—Cochrane, Elder Dempster Lines Ltd., Sept. 27.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Worcester, Sept. 12; City of Oran, Sept. 28—both Ellerman & Bucknall SS. Co.

*To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—Kota Pinang, Java-New York Line, Sept. 14.

*To Colombia, Ecuador, Peru, and Chile.*—A steamer, Canadian National, monthly.

*To Santos and Buenos Aires.*—Romsdalshorn, Sept. 12; Tureby Sept. 26—both International Freighting Corp.; Nordkap (calls at Montevideo but not at Santos), Canada South America Line, Sept. 15.

### From Quebec

*To Southampton.*—Empress of Britain, Sept. 12; Empress of Australia, Sept. 19—both Canadian Pacific.

### From Saint John

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Canadian National, Sept. 16.

*To Kingston and Jamaican Outports.*—Harboe Jensen, Sept. 11; Crawford Ellis, Sept. 18—both United Fruit Line.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—A steamer, American and Indian Line, September.

### From Halifax

*To Liverpool.*—Nova Scotia, Sept. 22; Newfoundland, Oct. 10—both Furness Line.

*To London and Hamburg.*—Capulin, Sept. 17; McKeesport, Oct. 1—both American Hampton Roads (call at Hull, Leith and Dundee).

*To Manchester.*—Manchester Exporter, Sept. 14; Manchester Hero, Oct. 3—both Manchester Line.

*To Copenhagen and Baltic Ports.*—Batory (calls at Gdynia), Gdynia-America Line, Sept. 10 and Oct. 6.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Townsend, Sept. 7; Fort Amherst, Sept. 14—both Furness-Red Cross Line; Kongsberg, Newfoundland-Canada SS. Ltd., Sept. 7 and 21; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Sept. 9; Newfoundland (does not call at St. Pierre), Furness Line, Sept. 5.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, Sept. 10; Lady Nelson, Sept. 24—both Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Sept. 17; Lionel, Sept. 26—both Ocean Dominion Line.

*To Santiago (Cuba) and Kingston (Jamaica).*—Kirsten B., Sept. 9; Ciss, Sept. 23—both Pickford & Black Ltd.

*To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Cornwallis, Sept. 7; Colborne (calls at St. Georges, Bermuda), Sept. 21—both Canadian National.

*To Kingston (Jamaica) and Belize (British Honduras).*—Cavelier, Canadian National, Sept. 14.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Japanese Prince, Sept. 12; Chinese Prince, Sept. 26; Silverew, Oct. 11—all Silver-Prince Line.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Heian Maru, Sept. 12; Hikawa Maru, Sept. 29; Hiye Maru, Oct. 15—all Nippon Yusen Kaisha; Koshin Maru (does not call at Kobe), Empire Shipping Co., Sept. 12.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Japan (calls Honolulu), Sept. 19; Empress of Asia (calls Nagasaki), Oct. 3; Empress of Canada (calls Honolulu), Oct. 17; Empress of Russia (calls Nagasaki), Oct. 21—all Canadian Pacific; Tyndareus, Sept. 27; Ixion, Oct. 25—both Blue Funnel Line (call at Miike but not at Manila).

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Bintang, Sept. 30; Tosari, Oct. 31—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Aorangi, Sept. 9; Niagara, Oct. 7—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden State, Sept. 15; Golden Coast, Oct. 15—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Hauraki, Sept. 15; Waiotapu, Oct. 17—both Canadian-Australasian Line.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Skagern, Empire Shipping Co., Oct. 10.

*To Sydney, Melbourne and Adelaide.*—Harmanteh August-September; a steamer, September—both Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Delftdyk (calls at Glasgow), Sept. 19; Lochkatrine, Oct. 3; Lochmonar (calls at Glasgow), Oct. 17; Dinteldyk, Oct. 31—all Holland-America Line.

*To London, Liverpool and Cardiff.*—Devon City, Sept. 12; Bradglen, Sept. 29; King City, Oct. 14—all Reardon Smith Line.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., September.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—Oregon, Sept. 12; San Francisco, Sept. 28—both Empire Shipping Co.

*To Scandinavian Ports.*—Balboa, Sept. 12; Margaret Johnson, Sept. 22—both Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Feltre, Sept. 12; Rialto, Oct. 8—both Empire Shipping Co.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—Elg, Canadian Transport Co., Sept. 10.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Salawati, Sept. 8; Silverwillow, Oct. 5; Siantar, Nov. 5—all Silver-Java Pacific Line.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Brandanger, Sept. 22; Evanger, Oct. 27—both Empire Shipping Co.

*To Puerto Colombia, Kingston and Tampico.*—A steamer, Gulf Pacific Mail Line Ltd., September.

### From New Westminster

*To London and Liverpool.*—Pacific Pioneer (calls at Glasgow and Manchester), Furness Line Ltd. Sept. 10; Lochgoil (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., Sept. 10; Steel Exporter (calls at Avonmouth), B. W. Greer & Son Ltd., Sept. 12; Devon City, Reardon Smith Line Ltd., Sept. 12; Benjamin Franklin (calls at Hull and Oslo), Anglo-Canadian Shipping Co., Sept. 16; Gregalia (calls at Glasgow), Balfour Guthrie & Co., Sept. 28.

*To United Kingdom Ports.*—Stirling, Sept. 7; Penrose, Sept. 10—both Anglo-Canadian Shipping Co.; Europa (calls at Continental ports), B. L. Johnson Walton Co., Sept. 12; Tudor Star (calls at Continental ports), American Mail Line Ltd., Sept. 18.

*To Brisbane, Sydney, Newcastle, Melbourne and Adelaide.*—Skagrun, Empire Shipping Co., Oct. 5.

*To Yokohama, Kobe, Miike, Shanghai and Hongkong.*—Tyndareus, Dodwell & Co., Sept. 13.

*To Japanese Ports.*—Steel Ranger, B. W. Greer & Son Ltd., Sept. 15.

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JAMES G. PARMELEE, DEPUTY MINISTER



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Vol. LV

Ottawa, September 12, 1936

No. 1702

## MARKET FOR CANNED AND PRESERVED FRUIT AND VEGETABLES IN THE EASTERN GROUP OF THE BRITISH WEST INDIES

W. F. BULL, CANADIAN TRADE COMMISSIONER

Port of Spain, August 20, 1936.—There is an important market for canned goods in the British West Indies although the sale of these products is limited to a very small percentage of the total population. The majority of the natives live largely off the country and supplement their diet of local vegetables with imported rice, flour, codfish, pickled meats, etc. With the exception of low-priced canned sardines and the cheapest grades of canned salmon, they are not familiar with canned goods.

### IMPORTS BY COLONIES

The total imports in the latest available year (1935 for Trinidad, British Guiana, Barbados, Grenada, and St. Vincent, and 1934 for St. Lucia and the Leeward Islands) were valued at \$198,240. This was a decided increase over the figures for the two previous years, which were respectively \$179,722 and \$155,835, and also over 1928, one of the last prosperity years, when imports were valued at \$185,880. Total imports by the colonies were divided as follows: Trinidad, \$86,736; British Guiana, \$54,315; Barbados, \$38,899; Grenada, \$4,257; St. Vincent, \$3,005; St. Lucia, \$2,218; the Leeward Islands (Antigua, St. Kitts, Montserrat, Dominica, and the Virgin Islands), \$8,812. (St. Lucia and the Leeward Islands only account for about 5 per cent of the total imports into the territory.)

### CANADIAN PARTICIPATION

Canned goods are more or less of a luxury for many people in this territory, as shown by the drastic reduction in imports during the depression. Although 1935 imports show only a small increase over 1928, there was an important change in the type of product imported and the direction of imports. The movement of dried fruits has been decreasing and the more expensive canned fruits and vegetables have been substituted. Canadian firms have been obtaining an increasing share of this business and were credited with fruit and vegetables valued at \$25,761 in 1935 as against \$7,184 in 1928 and \$7,224 in 1932. In the last few years there has been an important increase in the consumption of canned soups, and although these products are classed as unenumerated provisions in the local customs statistics, a conservative estimate places the value of canned soups imported in 1935 at \$10,000, of which at least \$8,000 originated in Canada.

In addition to canned fruit and vegetables, there has been for many years a large sale of Chum salmon and low-priced sardines. When sugar and cocoa prices were high these products were largely used by estate labourers, and even with an important reduction in demand from this source, total imports were valued at \$189,320 in 1935, more than 75 per cent of which originated in Canada.

In recent years there has been an increasing sale of canned corn beef and other canned meat products and imports under this heading were valued at \$77,332 last year. Most of the canned beef comes from the Argentine and Uruguay. There is a small importation of canned hams and canned sausages from Canada and the United States.

#### DRIED FRUITS

Under this general heading in the customs statistics is included dried apples, peaches, apricots, prunes, currants, raisins, dates, and figs. Prunes are the largest individual item and account for the bulk of the total imports valued at \$67,779 in 1935. The United States is the chief source of supply for prunes, peaches, and apricots, followed by Australia, which country in recent years has replaced Greece, Turkey, and Spain as sources of supply for currants and raisins. With the exception of a small quantity of dried apples, there are no imports of Canadian dried fruits into this territory.

#### CANNED FRUIT

This item includes fruit in cans and bottles, also crystallized and glacé fruit. Total imports were valued at \$37,750 in the last available year, of which Canada supplied imports valued at \$9,014—a decided increase over imports in 1932, which were valued at \$1,670. The United States was the chief source of supply with imports valued at \$12,883; the United Kingdom was credited with \$8,376. Local fruit is available throughout most of the year and is sold at very low prices, with the result that fresh fruit such as oranges, grapefruit, pineapples, pawpaws, bananas, etc., are generally used for desserts in place of the canned or preserved fruits used in Canada.

Imported fresh fruit is a luxury, and such products as peaches, pears, and apples are retailed at from 7 cents to 12 cents each. Of the canned fruits pears are the most popular, followed by peaches, strawberries, raspberries, and plums. The larger clean-edged California fruit is preferred by the hotel trade for peach melbas and other desserts; however, the smaller, softer Canadian peaches and pears have been increasing in popularity and their flavour is generally preferred.

#### JAMS, MARMALADES, AND FRUIT JELLIES

The bulk of the white population in this territory is of English origin and accordingly familiar with English and Scotch products, with the result that for many years Scotch and English jams, jellies, and marmalades have predominated in this market. Of a total importation valued at \$28,124 in 1935, the United Kingdom was credited with \$24,120. A small quantity of Canadian canned marmalade and jam is imported; however, most products in this group sell on a quality basis, with the result that the well-advertised English and Scotch brands are firmly established and it is difficult to introduce new lines even when prices are attractive.

#### PICKLES, SAUCES, AND CONDIMENTS

In most West Indian cooking, spices, peppers, and hot sauces are used. In addition to the sauces manufactured locally, there is a large importation of these products from the United Kingdom, Canada, and the United States, and most of the nationally advertised brands are being sold throughout this territory. Total imports last year were valued at \$23,079, of which the United Kingdom supplied imports valued at \$19,569, Canada \$4,109, and the United States \$3,110. Canada's share has increased from \$422 in 1932 due to imports from the Dominion of several well-known brands of catsup, Chili sauce, and pickles, which were formerly shipped from the United States, and also to the introduction of several new lines of Canadian Chili sauce, pickles, catsup, and olives.

## CANNED VEGETABLES

Fresh vegetables are available all the year round, and although such staples as potatoes and onions do not grow in this climate, there is an abundant supply of tomatoes, carrots, sweet potatoes, yams, beets, turnips, beans, spinach, cabbage, lettuce, etc., and fruit such as plantains and breadfruit, which are eaten as vegetables. There is also a fairly large importation of dried vegetables such as split peas, beans, and dried green peas. The total importation of canned vegetables for 1935 was valued at \$41,308. Canada was the leading supplier with \$11,625, followed by Portugal with \$8,498, the United Kingdom with \$6,787, the United States with \$5,025, and China with \$4,646. Canada has been obtaining a growing share of this business at the expense of exporters in the United States and the United Kingdom, imports having increased from a value of \$4,372 in 1932.

Of the total Portuguese exports to this territory, shipments to British Guiana amount to \$8,320. This amount was made up almost entirely of tomato paste, which is used by the large Portuguese community in this colony in the preparation of sauces. Until recently there was a preference in this territory for small peas; most of the requirements of this vegetable were drawn from France. With the decrease in numbers and importance of the French community, exports of Canadian peas have increased, and at the present time peas, corn, and tomatoes make up the bulk of the Dominion's shipments. English and American canners are obtaining business in more expensive vegetables such as cauliflower, celery, asparagus, and artichokes.

## TOMATO JUICE

Tomato juice was introduced into this territory two years ago. However, due to high retail prices very little progress was made until early in 1936, when the retail price in Trinidad was reduced to 14 cents for a No. 1 tin. Cocktail parties are probably the most popular form of entertaining in the West Indies, and local hostesses discovered that many people prefer tomato juice cocktails to the well-known rum cocktail. It has become the custom, therefore, in many homes to substitute tomato juice, with the result that sales are now running at more than 300 cases of forty-eight No. 1 tins per month. Supplies were drawn from Canada as long as Canadian exporters had stocks available for shipment to this market, and when the new pack is ready this trade will again return to the Dominion.

## PACKING, PRICES, AND REPRESENTATION

Canned fruit and vegetables are sold in the various standard-size tins. The No. 2 tin is the most popular for vegetables, although there is some demand for the No. 1 and a small demand for peas packed in 8-ounce tins. The 2½-tin is the most popular for canned fruit, although 2's, 1's, and 8-ounce tins are also used. Most tomato juice is sold in No. 1 tins, although there is a small demand for No. 10 tins for hotels, clubs, etc. A few years ago the No. 2 tin of Canadian peas sold at 1s. and well-known brands of soup at 18 cents. As a result of competition these retail prices have been reduced to 18 cents and 12 cents respectively, some brands selling at slightly lower prices. This reduction in price has been one of the chief factors leading to the large increase in consumption, and with any improvement in buying power the demand will be still further increased.

Most canned goods are sold through resident agents who solicit orders from wholesale and retail grocers and also in several cases carry stocks. This is found to be the most satisfactory method of representation, and although most of the leading Canadian manufacturers have already appointed agents there is always an opening for additional Canadian lines.

## AGRICULTURAL CONDITIONS IN THE UNITED KINGDOM

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, August 25, 1936.—The weather during July was exceptionally wet, thunderstorms accompanied by torrential rains having been experienced throughout the country. While the rains promoted plant growth, the general effect of the weather has been adverse. With a slight reduction in the acreage of wheat in the country as a whole and losses from storms, the total crop of English wheat is likely to be considerably reduced; barley everywhere lacks sun, the coming of which would still make the crop reasonably satisfactory; oats are light in many districts; the potato suffers badly from blight and it is doubtful if tubers will yield as plentifully as the luxuriant top growth would indicate, although Scotland and Wales may enjoy good crops; sugar beet has grown well and, with a spell of sunshine to give a good sugar-content, the crop should be satisfactory; very little good hay has been saved but everywhere there is an abundance of good grass.

### CEREAL YIELD FORECAST

The yield of wheat is at present forecast at about 30·8 bushels per acre, which is about 2·5 bushels less than last year. At 1,703,000 acres the area under wheat is nearly 4 per cent lower than a year ago, and the total production is estimated at 52,450,000 bushels or about 8,140,000 less than last year. The index figure, based on healthy state, freedom from injury, and average growth and development, was set at 83·97 for August 1 as compared with 93·04 on August 1, 1935, and the ten-year average of 92·59.

The area under barley increased by 3·4 per cent to 819,000 acres, and the probable yield is estimated to be approximately equal to the average of the past ten years and only slightly below that of last year. The total production of barley is estimated at 663,000 long tons or some 30,940,000 bushels, which is about the same as in 1935. The index figure as at August 1 is 88·51 compared with 90 at the same date last year and a ten-year average of 89·43.

Oats are expected to yield nearly 15 cwt. or some 49·4 bushels per acre—about 3·3 bushels less than in 1935 and for the ten-year average. The acreage under oats shows a slight decrease and the total production is estimated at 1,056,000 long tons (about 69,160,000 bushels), or 80,000 (over 5,000,000 bushels) tons less than a year ago. The index figure for August 1 was 85·51, which is contrasted with 89·75 for the ten-year period and 90·96 at August 1, 1935.

### ROOT CROP CONDITIONS

Root crops generally have grown luxuriantly at the top, but need sunshine to effect a general improvement in the merchantable root. The excessive moisture has encouraged blights and mildews; the wet has brought an excessive growth of weeds. Cleaning operations have been much hindered by the wet conditions. Generally, it is expected that the quantity of the root crop will be above average, but the quality may be expected to be lower unless sunshine brings improvement.

### THE GENERAL SITUATION

*The Times*, in commenting editorially on the present situation, states "the facts presented by the ministry's returns this year all call for sober reflection. Farming is certainly not going ahead by anything that can be described as leaps and bounds, and the question arises whether the industry is yet in fact regaining, as surely as everyone desires, its proper place in the national life." It points out that, apart from the unkindness of the season, there are other grounds for misgivings about the agricultural position. Farming, judged from the acreage

cropped and the numbers of live stock on the farms, is barely holding its own. Since the very favourable year of 1934, conditions have deteriorated and in this year's returns there are signs that the farmers have called a halt to expansion.

Notwithstanding the assistance from subsidies and other measures, market prices have not been sufficiently attractive to induce a further increase of production nor, indeed, to maintain last year's level; the area under the plough in England and Wales has suffered a reduction of some 3 per cent. Nevertheless, the Wheat Act has assisted in bringing the area under wheat back to its pre-war level and, with the current increases of price, this is a definite asset. On the other hand, the amount of barley and oats grown has declined heavily, and it still remains true that, taking the cereal crops as a whole, the United Kingdom is less well provisioned from home sources than it was twenty-five years ago. Then, too, the steady increase in the numbers of live stock in the past few years has now been checked. The numbers of cattle, sheep, pigs, and poultry in the United Kingdom are all slightly reduced this year; turkeys seem to provide the one bright spot, for it is expected that there will be an increase of 60,000 local turkeys available for the Christmas market.

## WEST OF ENGLAND IMPORTS OF WHEAT AND FLOUR

L. H. AUSMAN, ACTING TRADE COMMISSIONER

Bristol, August 27, 1936.—It is only since 1934 that figures have been available showing the imports of wheat and flour into the port of Bristol by countries of origin.

### WHEAT

The following table shows imports of wheat into Bristol for the calendar years 1934 and 1935 and for the first seven months of 1936:—

Country of Origin	1934	1935	January-July, 1936
	Figures in Tons of 2,240 Lbs.		
Canada .. . . .	145,724	153,313	148,622
Argentina .. . . .	113,231	80,845	810
Australia .. . . .	48,516	53,793	37,928
Russia (South) .. . . .	5,456	27,202	980
France .. . . .	4,159	21,357	15,806
Netherlands .. . . .	5,230	7,114	.....
Belgium .. . . .	1,786	5,568	1,778
Sweden .. . . .	.....	2,387	.....
Roumania .. . . .	5,831	2,063	3,761
Danzig .. . . .	.....	1,598	599
Lithuania .. . . .	.....	1,000	.....
Portugal .. . . .	.....	.....	7,090
Iraq .. . . .	.....	.....	250
Germany .. . . .	1,325	.....	.....
Total .. . . .	331,258	356,240	217,624

Total imports in 1935 were in excess of those recorded in 1934 and 1932, slightly less than in 1933, and about 86,000 tons less than in 1931. For the seven months ended July 31, 1936, due entirely to the large increase in shipments from Canada, imports were much higher than in the same period of the preceding year. As August, September, and October are the months in which imports are heaviest, it may be assumed that the total for 1936 will be close to 400,000 tons.

The following table shows the change in the trend of imports into Bristol from Canadian ports in recent years:—

From	1931	1932	1933	1934	1935	Jan.-July, 1936
	Figures in Tons of 2,240 Lbs.					
Atlantic ports .. . .	36,388	60,440	78,147	75,090	87,939	81,454
Pacific ports .. . . .	91,169	118,878	119,215	70,634	65,374	67,168
Total .. . . .	127,557	179,318	197,362	145,724	153,313	148,622

In 1935 Canada contributed 43 per cent of the total imports as compared with 44 per cent in 1934 and 29 per cent in 1931. Shipments from Argentina accounted for 23 per cent in 1935, while Australia occupied third place with 15 per cent. The extent of the decline in shipments from Argentina during the last crop year is indicated by the almost negligible amount credited to this country for the first seven months of 1936. Imports from France have this year been maintained at the comparatively high level set in 1935. Russian imports show their usual tendency to fluctuate very considerably from year to year.

#### STOCKS ON HAND

On August 1, 1936, stocks of wheat held by the Port of Bristol Authority and in other public storage, excluding mills, amounted to 10,033 tons.

#### FLOUR

Imports of flour into the Port of Bristol in 1934, 1935, and the first seven months of 1936 were as follows:—

Country of Origin	1934	1935	Jan.-July, 1936
	Figures in Tons of 2,240 Lbs.		
Canada .. . . .	9,810	9,310	6,461
Australia .. . . .	3,600	5,020	5,201
Italy .. . . .	1,520	950	....
France .. . . .	990	850	225
Belgium .. . . .	1,140	720	1,003
Germany .. . . .	950	710	788
Argentina .. . . .	150	200	100
United States .. . . .	180	40	36
Danzig .. . . .	....	....	150
Netherlands .. . . .	360	....	....
Total .. . . .	18,700	17,800	13,964

Imports of flour into Bristol have for the past five years remained relatively steady in the neighbourhood of 20,000 tons per annum. Canada's share in 1935, representing 52 per cent of the total, is indicative of the position held by the Dominion in recent years. The only other competitor has been Australia, which in 1935 contributed 28 per cent of the total and in 1934 19 per cent. For the first seven months of 1936, however, imports from Australia were higher than the total for the whole of 1934 or 1935. Supplies this year from Belgium and Germany are already in excess of total shipments in 1935, while imports from France are below normal and from Italy practically negligible.

#### QUOTA PAYMENT

The wheat quota payment, based on the amount of the subsidy due to growers under the Wheat Act of 1932, has recently been reduced from 3s. to 2s. per sack of 280 pounds.

#### WEST OF ENGLAND FLOUR IMPORT TRADE

Most of the flour imported into the West of England and South Wales is handled by members of the Bristol Channel Flour Importers' Association. These firms usually buy flour on their own account and carry stocks in Bristol and other centres. There are, in addition, agents who handle flour only on a commission basis, do not carry stocks, and cable orders to their principals only after actual contracts have been made.

As far as the West of England is concerned, the flour factor or merchant has disappeared from the trade. The importer with stocks at all times readily available now sells direct to the baker, as well as to the packer or blender, and has salesmen over the West of England, South Wales, and South Midlands.

The scope of the commission agent is usually more limited and he finds his chief outlet through the packer, who blends various flours for resale under a special trade name or sells in bulk to the grocery trade.

## COMMERCIAL NOTES FROM NEW SOUTH WALES

B. MILLIN, COMMERCIAL AGENT

### Business Conditions in New South Wales

Sydney, August 13, 1936.—June 30 marked the close of the financial year for many commercial concerns, both wholesale and retail, and the demand has been mostly restricted to immediate requirements during the last few weeks. With the improvement in seasonal employment in the primary industries during the next few months it may be reasonably expected that trade will be much better than in recent years for the period up to Christmas.

Seasonal conditions have been uniformly good throughout the state during the last month, although the rain in the wheat-producing districts has in some parts been too heavy. Wheat growers evidently did not anticipate the recent increase in wheat values, and the area planted, as far as can be estimated at this early date, was about the same as last season.

### Sydney Fur Skin Sales

There has been an unusually heavy demand for rabbit and other skins in the Sydney market this winter and prices have increased greatly. Experts in the trade state that this is largely due to a world scarcity of the more valuable furs and to some extent to the increased demand for furs for motoring and aviation purposes. Owing to excellent seasonal conditions this year in Australia, plenty of feed has been available for rabbits and other fur producers. The quality of the furs is much better than usual and this has been a material factor in the higher prices paid.

At the sales this week 144,984 pounds of rabbit skins were submitted and closing prices were:—

First winters, to 100d. per pound; second winters, to from 80d. to 90d. per pound; first incomings, 80d. to 83d.; second incomings, 70d. to 74d.; third incomings, 57d. to 64d.; racks, 46d. to 53d.; first heavy pelts, to 128d.; second heavy pelts, to 122d.; third heavy pelts, 103d. to 111d.; fourth heavy pelts, 82d. to 89d.; fifth heavy pelts, 65d. to 70d.; sixth heavy pelts, 55d. to 62d.; first does, to 76d.; second does, 54d. to 63d.; third does, 41d. to 45d.; blacks, to 65d.; fawns, to 73d.

Hare skins brought from 1s. to 10s. per dozen.

A total of 17,767 fox skins were catalogued. There was a good inquiry for the best descriptions and values were higher. Best brought 150s. per dozen; seconds, 109s. to 119s.; first autumns, 85s. to 101s.; second autumns, 72s. to 82s.

### Motor Car Trade of New South Wales

Statistics of motor vehicles registration in New South Wales at June 30 show that the total was 264,978, comprising 177,289 cars, 62,149 lorries and vans, 23,048 motor cycles, 528 omnibuses, 1,112 taxicabs, and 851 traders' vehicles.

This is an increase in the number of registrations of 8·4 per cent as compared with the figures at June 30, 1935. During the twelve months ended June 30, 1936, there were 29,213 new vehicles registered as compared with 19,166 during the preceding year, an increase of 52 per cent.

### Australian Essential Oils

Eucalyptus oils have long been on the market and are freely exported from Australia. In recent years another indigenous tree, of which there are many species commonly known as "tea trees," has been exploited for its oil-bearing properties. The leaves and terminal branchlets of these trees when subjected to steam distillation yield a pale coloured essential oil to the extent of from 1·5 to 2 per cent according to whether the material is old or young growth.

The principal constituents have been shown to possess comparatively high germicidal values. Owing to its pleasant odour, high germicidal efficiency and

non-poisonous properties, this oil will in all likelihood have wide industrial application, as in germicides, solvents, etc., as well as for refined uses in medicine and therapeutics.

## TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in Canada in the interest of Canadian trade with their respective territories: Mr. Frederick Palmer, Bristol (whose territory includes the West of England, South Wales and South Midlands); Mr. Hercule Barré, Paris (whose territory includes the French colonies in North Africa); Mr. L. M. Cosgrave, Melbourne; and Mr. R. P. Bower, who was Acting Trade Commissioner at Batavia, Java.

Their itineraries are as follows:—

### Mr. Frederick Palmer

Brockville .. . . .	Sept. 14	Chatham .. . . .	Sept. 23
Belleville, Kingston..	Sept. 15	Windsor and district..	Sept. 25 and 26
Fenelon Falls, Orillia..	Sept. 16	St. Thomas, Simcoe ..	Sept. 28
Owen Sound .. . . .	Sept. 17	Niagara Falls and district.	Sept. 29 and 30
Kitchener and district ..	Sept. 18	Brantford .. . . .	Oct. 1
Galt .. . . .	Sept. 19	Hamilton .. . . .	Oct. 2 and 3
Paris, Woodstock..	Sept. 21	Toronto .. . . .	Oct. 5 to 15
London and district..	Sept. 22		

### Mr. Barré

Vancouver .. . . .	Sept. 14 to 16	Toronto .. . . .	Sept. 28 to Oct. 3
London, Woodstock ..	Sept. 21	Montreal .. . . .	Oct. 5 to 15
Kitchener .. . . .	Sept. 22	Granby .. . . .	Oct. 16
Guelph .. . . .	Sept. 23	Three Rivers .. . . .	Oct. 19
Brantford .. . . .	Sept. 24	Ottawa .. . . .	Oct. 20 and 21
Hamilton .. . . .	Sept. 25 and 26	Quebec .. . . .	Oct. 22 and 23

### Mr. Cosgrave

New Westminster..	Sept. 14 and 15	Vancouver .. . . .	Oct. 4 to Nov. 3
Victoria..	Oct. 1 to 3		

### Mr. Bower

Ottawa and district ..	Sept. 21 to 24	Hamilton, Winona ..	Oct. 26 and 27
Montreal and district ..	Sept. 26 to Oct. 10	Thorold, St. Catharines..	Oct. 28
Toronto and district..	Oct. 12 to 24	Galt, Preston, Hespeler..	Oct. 29

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Vancouver, and Victoria, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## PRODUCTION OF ASBESTOS IN CYPRUS

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

Cairo, July 3, 1936.—The development of asbestos mining in Cyprus began in 1904 when the Government granted privileges for the exploitation of the extensive asbestos deposits of the chrysotile variety at the foot of Mount Troodos. In 1919 the rights were vested in the Cyprus Asbestos Company, Limited, a British syndicate which, until recently reorganized, carried out operations on a large scale in a modern and efficient plant, the fibres, which are of the short type, being separated into several grades.

Power was supplied by Diesel engines, and the overburden and waste were conveniently and economically disposed of by dumping, the deposits being advantageously situated high up on the slopes of the hills.

Transport was effected from the mines to the port of Limassol, 19 miles distant, by an aerial ropeway.

## EXPORTS

In 1929 the exports of asbestos from Cyprus reached the maximum of 13,796 tons valued at £292,271. With the advent, however, of the world economic crisis, exports dropped in 1930 to 5,400 tons valued at £116,092, and to a low of 1,600 tons valued at £27,214 in 1932. In 1933 the exports rose to 4,567 tons and to 7,590 tons in 1934. In 1935 the exports of 7,513 tons were about the same as in the previous year.

The following table shows the distribution by principal countries of the exports during the past three years:—

	1933		1934		1935	
	Tons	£	Tons	£	Tons	£
Total .. . . .	4,567	44,088	7,590	64,254	7,513	50,174
United Kingdom...	1,786	29,147	960	14,692	115	418
Belgium... . .	137	1,741	473	6,510	350	5,101
Denmark .. . . .	9	84	329	4,077	741	9,440
Germany .. . . .	43	99	1,400	15,425	34	164
Holland... . .	....	....	....	....	43	594
Italy... . . . .	....	....	262	3,109	389	4,939
Japan .. . . .	71	472	724	3,315	1,654	8,064
Portugal .. . . .	54	780	180	2,318	208	2,744
Spain .. . . .	304	3,108	348	3,584	429	4,455
United States ...	2,151	8,599	2,889	11,120	3,517	14,143

## NEW COMPANY FORMED

Owing to marketing and financial difficulties, the Cyprus Asbestos Company paid no dividends for the year ended June 30, 1935, and showed a loss of £26,663.

A new concern, the Tunnel Asbestos Cement Company, has been formed to work the deposits. The capital of the new company is £630,000 in 300,000 5½ per cent preference shares of £1, with 600,000 ordinary shares of 10s. and 300,000 deferred shares of 1s. each. The former company was capitalized at £150,000 in 6 per cent preference shares and £411,398 in ordinary shares. The new company will pay preference shareholders in the liquidated concern 10s. in cash and give ordinary shareholders three deferred shares of 1s. each for two ordinary shares.

For the present year an output of 10,000 tons of asbestos is contemplated.

It is reported that the new concern will operate a large factory in Essex, which has nearly been completed at a cost of over £80,000, and that a factory for the manufacture of asbestos products will also be built at Limassol by the Tunnel Asbestos Company at a cost of £6,000.

## TRADE OF BENGAL, 1935-36

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, July 31, 1936.—The close of the official year as at March 31, 1936, showed that the trade of Bengal, particularly through the port of Calcutta, was slowly but surely on the upgrade. Imports and exports, both in value and quantity, were greater than in the preceding fiscal year and the highest since 1931-32. This is a not unsatisfactory result, in view of the many restrictions with which international trade is faced, to which must be added the sanctions against Italy and her colonies, with which India conducted a considerable trade.

This general upward trend has undoubtedly been due to greater confidence inspired both in the United Kingdom and in foreign countries by the more settled political situation in India, and in some degree to a return to better times among the masses of the people, indicated by the increase in imports of "articles not specified," together with the development of industries in India which, assisted by high protective duties, have greatly reduced imports of sugar, tobacco, and cotton manufactures.

## IMPORTS AND EXPORTS

The foreign trade of Calcutta showed an increase of 7 per cent over the preceding year, shared almost equally by imports and exports. Imports of foreign merchandise on private account increased from Rs.353,200,000 to Rs.377,400,000, and foreign exports rose from Rs.573,000,000 to Rs.612,200,000, making a favourable balance of trade of Rs.234,800,000. Under imports the following showed substantial increases as compared with the corresponding previous twelve months: machinery and millwork, metals and ores, instruments and hardware. On the other hand, substantial decreases were recorded in woollen goods, lac, and oils. Advances of importance in exports were shown in raw jute, jute manufactures, raw hides and skins, metals and ores, raw cotton, raw hemp, and mica; shipments of lac, tea, paraffin wax, woollen goods, seeds and grains, and coal were considerably less. Exports of opium ceased altogether.

## AVERAGE PRICE CHANGES

Official statistics show that the average prices of the principal imports were generally less than in 1934-35, particularly in the case of kerosene oil—an item of importance—which was less than half. On the other hand, the tendency of export prices was upward, particularly in the case of rape-seed, raw jute, wheat, rice, and tea, but the price of shellac declined heavily.

## DISTRIBUTION OF TRADE

In the distribution of trade the British Empire was credited with nearly half the total; the United Kingdom's share was 36 per cent. The United States came next with 14½ per cent, followed by Japan with 8½ per cent, and Germany with 7 per cent. So far as trade with the British Empire was concerned, imports maintained their steady improvement. Their total value was Rs.212,920,000 compared with Rs.201,640,000 in 1934-35, but exports to these countries remained almost stationary at Rs.270,500,000.

From the United Kingdom imports advanced by Rs.7,600,000 to Rs.17,793,000, but exports declined by Rs.4,800,000 to Rs.28,960,000. The most noticeable improvement in imports therefrom was in machinery and millwork, mainly for jute mills, and electrical machinery and boilers. There were also substantial improvements in imports of iron and steel, and minor increases were registered under the heads of chemicals, drugs and medicines, hardware, instruments, and provisions. On the other hand, cotton goods received a set-back. Exports to the United Kingdom improved under the headings of jute and jute manufactures, and hides and skins; but tea, linseed, pig iron, and woollen goods recorded declines, lac being the greatest—from Rs.15,200,000 to Rs.2,900,000.

Imports and exports to other British possessions improved slightly from Rs.31,300,000 and Rs.88,700,000 to Rs.35,000,000 and Rs.93,200,000 respectively. There were no imports of wheat from Australia due to the protective tariff, but shipments of zinc and wool from that source more than made up for the loss in the wheat trade. On the other hand, purchases of gunny bags rose from Rs.16,200,000 to Rs.18,100,000. Exports of jute manufactures and articles by post to the Straits Settlements showed considerable increases, and imports of coconut oil therefrom were Rs.4,400,000 as against Rs.900,000 in 1934-35, but other commodities imported from that source showed a considerable falling off. Imports from and exports to Canada remained steady, the main items of export being gunny cloth and tea, which accounted for Rs.7,400,000 and Rs.6,400,000 respectively.

## IMPORTS FROM CANADA

On the other hand, imports from Canada showed a slight decrease—Rs.2,758,000 as against Rs.2,835,000 in 1934-35. This may be largely accounted for by a reduction in motor cars—663 compared with 628—but the declared

value was slightly lower. Imports of tires and tubes from Canada have practically ceased, probably due to such factors as the proposed opening of a factory for manufacture in India, the growth of the local trade in reconditioning, the longer life of tires, and the improvement of roads in India.

#### IMPORTS FROM FOREIGN COUNTRIES

From countries outside the British Empire imports from Germany and Belgium showed substantial improvement but those from Italy and Russia declined. Increased imports of machinery and millwork and metals from Belgium and Germany, and of hardware, instruments, dyeing and tanning substances from Germany, were the principal causes of the improvements. Imports of woollen goods and postal articles from Italy declined heavily, due to restrictions imposed in the latter part of the year, and entries from Russia declined in value owing to the very low prices of kerosene oil. On the other hand, imports of cotton goods from Japan and China showed considerable increases. At the same time exports to Japan of jute, jute manufactures, pig iron, raw cotton, and lac showed considerable increases.

### FOREIGN TRADE OF BRUNEI IN 1935

B. C. BUTLER, ACTING TRADE COMMISSIONER

(All values are in Straits currency: S\$1 equals 58 cents Canadian at present exchange).

Singapore, August 5, 1936.—The small State of Brunei, comprising an area of some 2,500 square miles on the northwest coast of Borneo, is under the titular rule of a native Sultan but actual control is vested in the British Resident, who reports to the High Commissioner for the Malay States in Singapore, 758 miles distant. The population is 33,732, of whom 28,800 are Malays and 4,000 Chinese. The capital and only place of any importance is the city of Brunei.

#### PRODUCTION AND INDUSTRIES

The production of oil is the most important industry of Brunei from the standpoint of export value and revenue to the State. Crude oil exports in 1935 totalled 441,744 tons as against 371,591 tons in 1934. Royalties on oil and natural gas constituted 47 per cent of the State's revenue in 1935, and value of crude oil shipments in 1935 accounted for 75 per cent of the total exports.

Rubber is next in importance, the total exports for the year being 1,343 tons as against 1,946 tons in 1934. The reduction was due to the international restriction scheme from which the Brunei producers continue to benefit in company with producers in other countries. About 14,000 acres are devoted to rubber production in Brunei; of this area 5,000 acres are operated by four European companies and the balance by small Chinese or native owners.

Agriculture and fishing are the major industries of the natives. The production of rice is insufficient for the needs of the population, and fair quantities must be imported. In addition to the large supplies of fresh fish disposed of in the local markets, there is a considerable export of dried prawns, mainly to Singapore.

Miscellaneous industries include the preparation of cutch and the several handicrafts, e.g., the making of silverware and brassware and other native art objects.

#### FOREIGN TRADE

The aggregate value of trade for the year was S\$6,124,998 (Can.\$3,552,500) as against S\$5,278,089 in 1934 and S\$4,602,805 in 1933. Imports in 1935 increased to S\$2,415,499 (Can.\$1,400,990) as compared with S\$1,887,339 in 1934 and S\$2,411,788 in 1933. The increase is accounted for by generally larger imports of miscellaneous manufactured goods and of coin and bullion.

## IMPORTS

The main articles of import with values for the years 1935, 1934, and 1933 are as follows:—

	1935	1934	1933
	Figures in Straits Dollars		
Miscellaneous manufactured goods . . . .	649,304	295,365	375,588
Machinery . . . . .	394,001	598,305	826,055
Rice . . . . .	187,421	131,805	106,522
Provisions . . . . .	116,199	180,015	180,897
Tobacco . . . . .	92,115	82,917	97,277
Dyed cotton goods . . . . .	79,192	76,380	76,017
Canned milk . . . . .	26,914	28,510	30,677
Flour . . . . .	20,852	20,345	16,733
Motor vehicles . . . . .	37,998	21,932	36,250
Coin and bullion . . . . .	421,440	135,471	360,612

## EXPORTS

Principal exports with values in the years 1935, 1934, and 1933, respectively, are:—

	1935	1934	1933
	Figures in Straits Dollars		
Crude oil . . . . .	2,785,937	2,371,669	1,760,861
Rubber . . . . .	576,159	671,970	236,249
Cutch . . . . .	177,910	162,861	123,757
Jelutong . . . . .	45,060	39,134	19,215
Dried shrimps . . . . .	15,652	12,482	31,306

The bulk of the import and export trade of the State passes through Singapore, and the big merchant firms in that city control the business.

## STATE FINANCES

The state finances are sound. Revenue in 1935 totalled \$813,932 as against \$645,021 in 1934, and expenditures \$786,201 as against \$545,021. Revenues are increasing due to the increased output of the oil fields.

## BLUEBERRY MARKET CONDITIONS IN NEW YORK

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

New York, September 1, 1936.—During the months from June to October there is a ready market in New York for blueberries shipped either in a fresh or frozen state, or canned in No. 10 tins.

## FRESH BLUEBERRIES

Fresh blueberries, if properly graded and of good quality, receive the highest prices available for blueberries in their various forms. These are sold extensively to the general grocery trade, to restaurants, and in lesser quantities to pie bakers. The last-named section of the trade usually become active purchasers only when there is a glut in the market.

During the present season cultivated blueberries from nearby states have been selling in New York at between 30 and 40 cents a quart. Thus, Michigan cultivated berries have been quoted recently at from 44 to 45 cents a quart; similar berries from New Jersey have been available at from 25 to 35 cents a quart. Semi-cultivated berries from the State of Maine have been selling at from 15 to 23 cents per quart ungraded, and up to 30 cents a quart for graded supplies. Canadian fresh blueberries from Nova Scotia and New Brunswick, which are subject to a duty of 1½ cents a pound, have been selling on this market at from 12 to 18 cents per quart for ungraded supplies and at from 18 to 25 cents for graded berries. It is also reported that blueberries are being offered

in pint containers at 8 to 9 cents. Fresh fruit of this description is generally shipped on consignment to reputable commission houses who operate on a commission of 10 per cent.

FROZEN BLUEBERRIES

In the frozen blueberry market, imports from Newfoundland exercise a strong influence on values. Shipments which are arriving now may have a depressing influence on prices throughout the trade. Up to the end of August prices were quoted at  $8\frac{3}{4}$  cents to 9 cents per pound for new berries, while the latest quotations are listed at  $8\frac{1}{4}$  cents per pound on the dock. These berries are used extensively by pie bakers and restaurants. With the increasing use of low temperature refrigeration, it is believed that they will also find a slowly widening market in the retail trade. These berries are packed in 30-pound boxes. Smallness, good colour, and freedom from extraneous material are the main points stressed by buyers as being most desirable in this type of product. Frozen blueberries from Canada are subject to a duty of 25 per cent ad valorem.

CANNED BLUEBERRIES

Supplies of blueberries packed in No. 10 tins have been rather short this season. At the present time Maine shippers, who are the chief suppliers, have withdrawn prices—though former quotations were from \$6.50 to \$7 per dozen f.o.b. shipping point or from \$7 to \$7.25 f.o.b. New York. These prices are considerably higher than last year, when they were from \$5.50 to \$6 f.o.b. New York.

New York brokers are interested in obtaining Canadian supplies, if any are available at competitive figures. The duty on Canadian tinned blueberries is 25 per cent ad valorem. These berries are marketed by brokers to bakery supply houses, chain restaurants, pie bakers, and wholesale grocers.

TRADE OF MANCHURIA IN 1935

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

I

Tientsin, August 15, 1936.—In previous years the trade figures issued for the Kwantung Leased Territory, including Dairen, were used to indicate approximately the foreign trade of Manchuria as that port is the principal gateway to the area. However, Manchuria (Manchukuo) now issues such statistics, covering all land and sea ports of entry, and those for the month of December, cumulative for the year 1935, are used in this report.

TOTAL TRADE

The following table shows the total trade for the above year, expressed in Manchurian yuan, valued at about \$0.30 Canadian currency:—

	1935	1934
Total exports . . . . .	421,077,753	448,426,567
Total imports . . . . .	1,025,227,112	1,041,988,815
Total trade . . . . .	604,149,350	593,562,248
Adverse balance . . . . .	183,071,606	145,135,681

The trade figures for the port of Dairen are included in the above totals, which are increased by those covering the entrepôt trade of that port. Foreign goods re-exported were valued at Y.\$28,470,727, and native goods reimported at Y.\$95,568.

Except for the years since the change in the political status of the country, Manchuria has always had a favourable balance of trade. Since 1932, however.

this has been consistently lacking, due mainly to much-increased imports from abroad in the form of equipment and material for the development of natural resources, the building of railways and roads, the construction of factories for certain primary industries, government buildings and public works, and in general those imports necessitated by the plan to develop and improve the area on a large scale. The return in the form of increased exports has not yet become apparent, but it is hoped by the sponsors of the plan that their initial expenditures will bear fruit shortly and in so doing create once more a favourable trade balance aided by decreased future import on capital account.

The above-noted increase in imports was due principally to augmented purchases of capital goods as compared to the previous year, although this tendency now seems to be slowing down somewhat. The decreased exports were due wholly to the difficulty of disposing of the soya bean crop before the end of the year. Although there was no diminution in quantity, the moisture content was so high as to impair the quality considerably and to retard the export movement to such a degree, before means could be employed to remove the defects, that the usual export volume could not be moved before the end of the calendar year. However, it is likely that this delayed movement will become apparent when the 1936 figures are published.

### TRADE BY COUNTRIES

In order to show the origins of imports and the destinations of exports, the following table is appended giving values in yuan only:—

Countries	1935		1934	
	Exports Yuan \$	Imports Yuan \$	Exports Yuan \$	Imports Yuan \$
Japan . . . . .	185,522,717	434,228,749	172,262,488	363,295,990
Korea . . . . .	33,769,419	22,446,106	46,412,901	25,305,456
China . . . . .	63,352,588	31,992,899	65,694,407	57,594,562
Russia . . . . .	4,561,837	1,168,227	8,423,177	4,876,768
Hongkong . . . . .	7,528,136	2,758,630	6,848,584	5,596,674
British India . . . . .	2,701,172	23,820,895	645,539	23,943,526
Dutch India . . . . .	701,032	5,062,353	1,709,509	6,694,905
Great Britain . . . . .	24,221,125	9,482,007	16,218,009	9,315,948
France . . . . .	3,569,770	462,784	2,921,120	564,780
Germany . . . . .	32,798,720	14,741,785	53,310,482	12,585,641
Belgium . . . . .	1,148,098	1,511,467	1,190,409	703,813
Holland . . . . .	10,075,070	815,477	8,072,693	388,062
Italy . . . . .	3,863,633	1,358,745	4,303,261	701,676
United States . . . . .	15,596,059	24,935,671	5,966,010	35,227,096
All others . . . . .	31,568,377	29,365,544	54,447,978	28,868,351
Totals . . . . .	421,077,753	604,149,539	448,426,567	593,562,248

### NOTES ON SOURCES OF SUPPLY

With the exception of Japan, British India, the United States, Dutch India, and to a small extent Belgium, all of the countries shown above had an adverse trade balance with Manchuria in 1935. In the cases of British India and Dutch India, single groups of products such as gunny bags plus raw cotton and petroleum products respectively are responsible for the disparity between the import and export totals. However, in the cases of Japan and the United States the reason for the large difference is the hold on the general import trade that these two countries have. It is especially marked in the case of Japan, which practically without exception heads the lists of suppliers of every imported manufactured and semi-processed article.

In 1935 Japan supplied 72 per cent of the total imports into Manchuria as compared to 64 per cent in the previous year, and because of the close association of the two countries and the preferential position which exists for Japanese goods, it is expected that this percentage share will continue to expand in the future at the expense of the other suppliers. Practically the whole of the

development work now being carried on and projected in the future is being and will be done with Japanese capital. It is therefore understandable that equipment and material of Japanese manufacture, for such schemes, will be used whenever it is obtainable. The benefit accruing to other suppliers from this expansion will be of a temporary nature only, and generally will be confined to those in a position to supply the necessary raw materials.

### EXPORTS

The total exports for the year under review were valued at Y.\$421,077,753 as compared to Y.\$448,426,567 in 1934, a decrease of Y.\$27,348,814, or 6 per cent. In both of the above totals are included re-exports of foreign goods amounting respectively to Y.\$29,533,104 and Y.\$28,470,727, accounted for by the entrepôt trade of the free port of Dairen. The following table shows the export totals for these two years for each of the principal commodity groups:—

Commodity Group	1935	1934
	Yuan \$	Yuan \$
Animals and animal products . . . . .	6,326,031	4,977,318
Hides, leather, skins, furs . . . . .	4,133,793	2,687,003
Fishery and sea products . . . . .	543,429	406,173
Beans and peas . . . . .	143,108,985	170,342,323
Cereals and cereal products . . . . .	72,524,576	88,920,380
Fruits of all kinds . . . . .	98,118	94,692
Medicinal substances and spices . . . . .	2,064,535	2,234,302
Oil, tallow and wax . . . . .	24,220,452	17,720,436
Seeds . . . . .	36,475,359	52,047,356
Spirituous beverages . . . . .	452,508	358,842
Tobacco . . . . .	171,281	224,882
Vegetables . . . . .	317,438	310,196
Vegetable products . . . . .	3,657,764	9,005,196
Fuel . . . . .	42,013,850	43,137,247
Timber and manufactures . . . . .	3,855,708	3,880,582
Paper . . . . .	773,565	889,558
Textile fibres . . . . .	11,868,213	9,904,993
Yarn, thread, plaited goods . . . . .	6,054,186	6,371,065
Piece-goods . . . . .	647,306	227,427
Other textile products . . . . .	1,549,964	1,436,186
Ores, metals and products . . . . .	12,818,867	11,912,607
Glass and glassware . . . . .	1,722,066	1,510,396
Stone, earth and sand . . . . .	3,163,316	2,466,745
Chemicals and products . . . . .	6,808,610	2,040,093
Sundry . . . . .	6,374,729	6,849,842
Total . . . . .	391,544,649	419,955,840

### NOTES ON THE EXPORT GROUPS

*Beans and Peas.*—As is customary, the beans and peas group is much the most important in the export trade as it includes soya beans, the most outstanding of Manchurian agricultural products. Even with considerably reduced soya bean exports this year, the group as a whole accounted for 36 per cent of the total export trade.

The most noteworthy single item was yellow beans valued at Y.\$126,329,191, which is by far the largest of all export items and which constitutes 32 per cent of the total export trade in all commodities. The decrease in 1935 was due, as previously stated, to the large proportion of wet beans, which retarded the normal export movement until after the close of the year. Through Government aid these beans have since been marketed after being dried or processed in the form of oil and cake. The greater part of the anticipated loss upon them was thereby avoided and rural purchasing power maintained for the greater part. Of the total beans and peas group, Japan took 34 per cent, Germany 16 per cent, Great Britain 13 per cent, Egypt 11 per cent, and China 9 per cent.

*Cereals.*—The cereals group was next in order of importance, the principal item being soya bean cake valued at Y.\$51,370,086, of which two-thirds went to Japan. Other items of interest were millet totalling Y.\$9,049,721, almost all of which went to Korea; kaoliang, Y.\$3,935,135; buckwheat, Y.\$2,494,433; and maize, Y.\$1,470,218. Japan and China were the principal purchasers of these latter products.

*Fuels.*—In the fuel group, coal, amounting to Y.\$40,473,980, accounted for almost the total export apart from shale oil valued at Y.\$1,278,885. Japan took almost all this latter item, together with 70 per cent of the coal, the remainder going chiefly to Korea, China, and Hongkong.

*Seeds.*—Peanuts of a total value of Y.\$15,140,649 was the chief article included in the group, followed by perilla seed (Y.\$7,533,082), hemp seed (Y.\$5,548,588), cereal sweepings (Y.\$3,220,047), and sesamum seed (Y.\$3,122,001). Holland took 40 per cent of the peanuts, the remainder going principally to Germany, France, Italy, Japan, and Great Britain. Japan and Korea combined purchased almost all of the perilla seed and cereal sweepings and about 56 per cent of the sesamum seed. The United States accounted for 60 per cent of the hemp seed, the remainder going mainly to Japan, France, Korea, Germany, and Belgium.

*Oil, Tallow, and Wax.*—Bean oil (Y.\$19,923,276), perilla oil (Y.\$2,839,822), and paraffin wax (Y.\$1,206,375) made up the greater part of this group. Practically the whole of the latter went to Japan. The exports of bean oil found more diverse destinations, the principal importing countries being Germany, Great Britain, Holland, China, Hongkong, and the United States.

*Ores and Metals.*—Pig iron valued at Y.\$10,329,457 accounted for 80 per cent of this group, and of this item Japan absorbed over 90 per cent. The only other items of interest were old and remelted copper (Y.\$518,937), scrap iron and steel (Y.\$673,582), and iron and steel manufactures (Y.\$908,097).

*Textile Fibres.*—In this group raw wild silk, totalling Y.\$7,278,999, made up 61 per cent of the total. Of this article, 86 per cent went to Japan and almost all the remainder to China. Other items of interest were sheep's wool (Y.\$1,447,097), raw wild silk yarn waste (Y.\$1,105,705), raw cotton (Y.\$763,172), and jute (Y.\$435,980).

*Chemicals.*—The only item of interest in the chemicals group was sulphate of ammonia valued at Y.\$6,051,084, of which Japan absorbed 80 per cent, the remainder going mainly to Korea, China, and Hongkong.

*Sundry.*—The chief item in this group was salt, which had a total value of Y.\$4,863,349. Almost the whole of this was exported to Japan.

*Yarns, etc.*—Similarly, the main noteworthy item in the yarn group was cotton yarn valued at Y.\$5,623,860. Of this amount, British India absorbed 46 per cent and Japan 41 per cent.

*Animal Products.*—This group was much more diversified, although bristles totalling Y.\$2,796,593 were responsible for 44 per cent of the total exports. The United States purchased 42 per cent of the bristles, followed by Japan with 29 per cent, China with 12 per cent, and Great Britain with 9 per cent. The other notable items with their values were: horsehair (Y.\$654,795); animal products n.e.e. (Y.\$667,498); live cattle (Y.\$442,593); sheep and goats (Y.\$382,283); fresh and frozen beef, mutton, and pork (Y.\$393,609); and bone dust and refuse (Y.\$204,917).

*Hides, Skins, etc.*—This is the last remaining group of note. Skins alone accounted for a total of Y.\$3,234,194, half of which went to Japan and over a third to the United States. Hides and leather, exported almost wholly to Japan and totalling Y.\$899,499 in value, constituted the remaining principal item in this group.

## COMMERCIAL AIR TRANSPORTATION IN CHINA

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

Shanghai, August 5, 1936.—Although various military factions in China began to take a serious interest in aviation as far back as 1921, regular commercial flying did not get under way until 1930. Following the beginning made in that year, however, a growing appreciation of the value of air communications in this country, owing to the great distances to be covered and the general lack of adequate transport services, has resulted in a considerable expansion of commercial air routes with weekly and semi-weekly services now a regular feature between a number of large cities.

### THREE AIR TRANSPORT COMPANIES

There are at present three air transport companies operating in China, providing aviation lines over an estimated total of 8,870 miles. Full particulars covering the services, together with time tables, are available at the Department of Trade and Commerce, Ottawa. The following summarizes the situation:—

#### CHINA NATIONAL AVIATION CORPORATION

This is a Sino-American company founded in July, 1930. It has eleven aeroplanes of American manufacture and employs eleven American, one German, and twelve Chinese pilots. Eight separate air-routes are in operation as follows: (1) Shanghai-Chengtú; (2) Shanghai-Hankow; (3) Hankow-Chungking; (4) Chengtú-Chungking; (5) Chungking-Kweiyang; (6) and (7) Shanghai-Peiping; and (8) Shanghai-Canton.

The following table shows the progress made by this company in the number of kilometres flown and passengers and mail carried:—

Year	Kilometres Flown	Passenger Kilometres Flown	Passengers Carried	Kilograms Mail
1932.. . . . .	693,842	1,247,265	3,153	50,851
1935 (estimated) . . . . .	1,890,000	5,875,000	10,400	64,000

(One kilogram equals 2.2046 pounds; one kilometre equals 0.6213 mile.)

#### EURASIA AVIATION CORPORATION

This is a Sino-German company using exclusively German aircraft and so far all German pilots, although it is understood that efforts are being made by this organization to train Chinese with a view to their becoming qualified to act as regular pilots. This company maintains a fleet of eight Junkers-type aeroplanes and operates the following air services: (1) Shanghai-Lanchow; (2) Peiping-Chengchow; (3) Lanchow-Paotou; and (4) Sian-Yunnanfu, via Chengtú.

The original intention of the Eurasia Aviation Corporation was to establish a service between Berlin and Shanghai, but owing to political difficulties and to disturbed conditions over part of the proposed route, it has not so far been possible to put this into effect. Meanwhile evidence of the progress made by this company is provided in the comparative statement shown below covering their operations during the past two years:—

Year	Kilometres Flown	Passengers Carried	Kilograms Mail	Kilograms Freight
1934.. . . . .	603,282	1,476	6,461	53,173
1935.. . . . .	744,735	2,968	8,033	81,589

#### SOUTH WESTERN AVIATION CORPORATION

This is a Chinese company using American Stinson aeroplanes flown by Chinese pilots. The chief line operated by this company has been from Canton

to Wuchow, Nanning, and Lungchow on a twice-weekly basis. A few weeks ago arrangements were made to extend this service to Hanoi, the Far Eastern terminus of Air-France,  $5\frac{1}{2}$  hours' air distance from Canton, thus providing a connecting air link between the principal Chinese cities and Europe. However, the disturbed military situation in South China, added to the reported withdrawal of a financial subsidy by the Canton military leaders, has interfered with the regular running of this service and it has not so far become established on a regular basis.

The only other service which has been operated by the South Western Aviation Corporation is twice weekly from Canton to Pakhoi, the flight taking  $5\frac{1}{2}$  hours.

#### AIR MAIL

Air mail facilities are provided on all the regular routes at present in operation in China at an extra charge of 25 cents (about  $7\frac{1}{2}$  cents Canadian) for each 20 grams or fraction thereof for each flying zone (1,000 kilometres or 621 miles) in addition to the regular postage charge of 5 cents (about  $1\frac{1}{2}$  cent Canadian) for each 20 grams. This extra charge is allocated to the air transport companies, the ordinary 5 cents revenue going to the Chinese postal administration.

#### COMMUNICATION WITH FOREIGN AIR SERVICES

As the Central Government at Nanking does not permit foreign air services to fly over Chinese territory, with the exception, as already stated, of the Canton-Hanoi line operated by the South Western Aviation Corporation, which is Chinese-owned, there are no connecting services to Chinese cities by lines operating to the Far East from Europe. Imperial Airways, Ltd., however, after carrying out a series of survey flights extending over a period of six months, started a service in March of this year once weekly between Penang and Hongkong which links the latter city with the Imperial Airways service operating between Great Britain and Singapore. As Hongkong is only  $2\frac{1}{2}$  hours by train from Canton, this service accordingly offers an alternative route from Chinese cities to Europe to that provided by Air-France.

The Pan-American Airways, which inaugurated services across the Pacific toward the end of 1935, are so far using Manila as their Oriental terminus. It is understood, however, that this company is considering the possibility of extending their service to the Portuguese port of Macao or to Hongkong in lieu of the privilege of landing on Chinese soil at Canton.

#### PRIVATE FLYING

Private flying has not so far been permitted in China. However, the China Aviation League, which was founded in 1933 under the auspices of the Nanking Government, has been actively engaged in the encouragement of flying, particularly as a means of national defence. Resulting from these efforts, the first flying club in China was inaugurated in June of this year at Lunghwa airport, about eight miles from Shanghai. The club uses two light land planes and is understood to have a membership of some thirty-four men and one woman student.

#### IMPORTS OF AIRCRAFT AND ACCESSORIES

During the three years 1933 to 1935 the total value of imports of aircraft and accessories into China was as follows: 1933, 6,080,648 gold units; 1934, 4,455,577; 1935, 1,028,095 gold units. (The average value of the gold unit during the period 1933 to 1935 was U.S.\$0.617.)

While the imports of aircraft and accessories in 1935 show a heavy decline from the previous year, these figures do not reflect the true position as apparently the figures covering the Government's imports in 1935 have been excluded

from the customs returns. It is known, however, that the Government purchased considerable quantities of aeroplanes and accessories last year. The figures shown for 1935 probably consist chiefly of aeroplanes and accessories of one kind or another imported by the various private companies, and possibly to some extent represent accessories purchased by the Government.

In the course of the last few years the United States has led in the supply of civil aircraft and accessories, as well as military, to China. A great deal of the success of American, and also Italian, aircraft firms in this market has been attributed to the existence of air missions from these two countries. The American Mission, which was composed of civilians without official status, completed a three-year contract in 1935 and withdrew. The Italian Mission, which arrived in October, 1931, and which has full military status, is still in existence.

#### AIRCRAFT FACTORIES IN CHINA

Apart from the work carried out by these foreign missions, further stimulus to aviation has been provided by the erection of two aircraft factories in Hangchow in Central China and Shiukwan in Kwangtung Province in the south by the Curtiss-Wright Company. A Sino-Italian factory is under construction at Nanchang in Central China and a Sino-German factory is projected.

Indications point to a continuous expansion in air services throughout China, and it is probably true to say that there are few countries in the world, in view of the great distances to be covered, likely to benefit to the same extent from air transportation.

#### CHINESE HOG BRISTLE INDUSTRY

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

(During the years 1934 and 1935 the average value of the Yuan dollar was U.S.\$0.35.  
One quintal equals 220.46 pounds)

Shanghai, June 24, 1936.—The export of hog bristles from China goes back about sixty years, and, according to a report on this industry recently published by the Foreign Trade Association of China, it is estimated that this country is now responsible for over 75 per cent of the world's commercial supply of bristles. Prior to the Great War, Russia was an important source for black bristles, but the above report states that, following the Revolution in Russia, a large percentage of the hog population was killed off to take care of the demand for a meat diet.

In addition, the efforts made to improve the domestic stock by the importation of pure-bred hogs have adversely affected the Russian bristle trade, since it is recognized that the better grade of hogs does not produce strong stiff bristles such as are obtained from the inferior type of animal. As a result, Russia is now no longer an exporter of any importance in the bristle trade. To some extent a similar attempt to improve the quality of hogs being raised in Manchuria in recent years is expected to ultimately affect the quality of bristles available from that source.

The falling away of Russia in this business has contributed to the present position of China as a supplier of the world's requirements in bristles. An additional factor aiding the growth of the Chinese bristle industry has been the increased demand from the United States, once a considerable exporter of bristles and now China's chief customer for this product. It is understood that bristles are mainly used in the United States for making shaving, nail, hair, tooth, and paint brushes.

In the report of the Foreign Trade Association it is estimated that China produces at present roughly 60,000 quintals (approximately 6,614 short tons)

of bristles per annum, about two-thirds of which in recent years have been shipped abroad, the remainder being consumed locally. An indication of the volume of exports and chief foreign markets may be gathered from the following table:—

*Exports of Bristles from China*

	1934		1935	
	Quintals	Yuan \$	Quintals	Yuan \$
Total.. . . . .	42,063	15,127,155	48,980	16,224,805
United States.. . . .	13,240	5,126,377	15,179	6,364,752
Japan.. . . . .	4,808	3,626,333	5,781	3,404,961
Great Britain.. . . .	12,036	3,428,968	11,949	3,307,147
Germany.. . . . .	4,756	1,108,919	6,358	1,457,486
France.. . . . .	3,060	759,035	3,643	846,955
Belgium.. . . . .	2,181	590,713	1,669	402,916
Other countries.. . . .	1,985	487,706	4,401	440,588

It is estimated by one authority in the trade that at least 90 per cent of the production in China consists of black bristles.

The white bristle trade is mainly divided between one American concern in Shanghai, which dresses and bleaches bristles here for export to the United States and European markets, and several Japanese firms, who buy white bristles in a semi-prepared state in the interior producing centres of China for shipment to Japan for bleaching, after which they are re-exported to the world markets.

#### PRODUCING CENTRES

Although pigs are raised throughout the whole of China, the quality of bristles varies according to districts. For example, bristles from Central and North China are considered to be of better quality than those from the southern part of the country owing to the hotter weather in the south, which has the effect of producing short and thin bristles. This condition applies also to the bristles produced in the Lower Yangtze Valley, including the agricultural district adjacent to Shanghai. Similarly, bristles obtained in the spring, owing to the cooler weather, are of better quality than those taken from animals slaughtered in the hot summer months.

White bristles are chiefly obtained in the provinces of Szechwan, Hunan, Chekiang, and in the southern part of Kiangsu, while black bristles are available from all parts of China.

Szechwan Province is considered the most important bristle-producing centre in China. The bristles coming from that area are known for their excellent quality due to their elasticity and lustre, both as regards black and white varieties. The city of Chungking, located on the upper reaches of the Yangtze River (approximately two weeks by river boat from Shanghai) is the most important country collecting centre, not only for the province of Szechwan but for a wide area bordering on that province. As a result, the bristles brought to Chungking from various districts are blended and sold abroad as "Chungking bristles."

Next in importance to the Szechwan area is the province of Hunan, with the city of Siangtan as the main collecting centre. Other provinces in which hogs are raised in large numbers include Kiangsu, Chekiang, and Hupeh in Central China, Honan and Shantung in North China, and Kwantung in the south.

#### PREPARATION AND GRADING

The comments in the report of the Foreign Trade Association of China dealing with the preparation and grading of bristles obtained in the producing areas of Central China are summarized as follows:—

The bristles are collected by jobbers from butchers or small shops of the villages in the interior and sold to the dealers in nearby cities in raw condition

with bits of flesh and soft hairs still attached to them. Most of these raw bristles are full of dirt and foreign matter, so that they have to be dressed. The process of dressing is usually done by the various bristle works located at Chungking, the centre of the bristle trade in Szechwan, and Siangtan for the province of Hunan.

#### METHOD OF DRESSING AND BUNDLING

In the general process of dressing black bristles they are first soaked in water from seven to eight days in summer and up to twelve days in the winter months. After combing away the soft hairs and foreign matter, the bristles are washed in clean water several times. They are subsequently baked in ovens until they take on a glossy appearance. On being taken out of the ovens, they are left to dry and next subjected to a sterilization process. They are then ready to be assorted according to size. When assorted the bristles are tied with a cord into bundles of about 2 inches in diameter. The cord is tied around close to the bottom of the bundles with the tips all pointing in one direction.

The one exception to this method of bundling is the case of what are known in the trade as riflings, which are tied in the centre. These are the shortest-length bristles and to some extent might be looked upon as offals by comparison with the regular dressed bristles.

The prepared bristles are passed through an inspection for cleanliness, regularity of size, and finally to remove any mixed hairs in the bundles.

The process for dressing white bristles is practically the same as that for the black bristles, except that they are not soaked in water in the first instance and not baked at the interior workshops. While bristles are usually shipped out from the centres of production in a semi-prepared state, as the final bleaching is done either in Japan, by the American company in Shanghai already mentioned, or sometimes in the United States.

Shipments of black bristles, which are the most important as far as Central China is concerned, are usually made to the United States and British markets in a combination of seventeen lengths. The percentage of each length contained in one shipment is fairly standard. A representative assortment of 100 cases (of  $133\frac{1}{2}$  pounds weight) of black bristles exported from Shanghai is given as follows:—

Riflings	2½"	2½"	2¾"	3"	3¼"	3½"	3¾"	4"	4½"	4½"	4¾"	5"	5½"	5½"	5¾"	6"
25	15	12	11	10	8	6	4	3	2	1½	1¼	½	¼	¼	⅓	⅓

#### PRICES

Prices vary according to length, grade, and district. The wide range of prices, according to lengths, is illustrated by recent wholesale quotations on the London market, varying in the case of one exporter from 1s. 2d. per pound for Chungking riflings all the way to 16s. and 18s. per pound for 5- to 6-inch lengths.

#### EXPORTING CENTRES

At one time Tientsin was the leading export centre in the Chinese bristle trade, especially for black varieties, which came to Tientsin by caravan from the interior cities of North China and Manchuria. Tientsin bristles have long been known for their extra length and are chiefly in demand for making paint brushes. Since the separation of Manchuria, however, large quantities of Manchurian bristles, which formerly were collected at Mukden and thence exported through Tientsin, are now being shipped abroad through the port of Dairen. As a result of this development, although Tientsin exporters are, to a considerable extent, still engaged in the Manchurian bristle trade, in recent years Tientsin's position has been declining and of the bristles exported from China proper only about 25 per cent are now being shipped through this port. \*

In addition to Tientsin, the port of Tsingtao in Northern China also handles a considerable quantity of bristles, the proportion exported from this city during the past two years averaging nearly 11 per cent of the total volume.

As far as Central China is concerned, Shanghai is outstandingly the most important exporting centre, and indeed during the past two years has been responsible for shipping around 60 per cent of the total volume of exports of bristles from China.

The quantity of bristles exported from Southern China is negligible by comparison with the north and central regions.

#### IMPORTS OF CHINESE HOG BRISTLES INTO CANADA

An indication of the extent of Canada's import requirements in hog bristles may be gathered from the following official Canadian statistics showing imports into the Dominion during the four fiscal years ending March 31, 1932, 1933, 1934, and 1935 respectively:—

	1932	1933	1934	1935
Total imports.. . . . .Lbs.	197,409	166,255	139,640	223,140
	\$ 176,384	135,376	143,675	288,333
China.. . . . .Lbs.	6,100	9,460	663	30,401
	\$ 4,481	4,700	338	21,658
United States.. . . . .Lbs.	178,756	154,155	132,721	186,310
	\$ 156,263	122,620	135,200	255,894

While it is evident from the above that a certain amount of bristles has been going direct to Canada from China, it will be seen that the bulk of the imports have been brought in from the United States and, according to the information available here, the American shipments into Canada probably consist almost entirely of Chinese bristles.

#### QUESTION OF DIRECT SHIPMENTS

It is understood that there are several large distributing houses in the United States carrying stocks of different grades and sizes of bristles and supplying the various consuming industries with their particular requirements from these stocks.

Whether any increase could be effected in the present volume of bristles going direct into Canada would seem to depend mainly on whether there is a large enough demand among the several Canadian industries to absorb the quantities which exporters state would be necessary to render the business worth while.

In this connection one Shanghai exporter has pointed out that they would have to have a minimum order of at least twenty-five cases made up in an assortment of seventeen lengths on the basis mentioned above, and they would prefer to sell in fifty-case lots. The stipulation of twenty-five cases as a minimum would not apply to riflings, for which exporters point out orders could be accepted in any quantities. (In the Central China bristle trade each case contains one picul, equalling  $133\frac{1}{3}$  pounds.)

Any interested Canadian firms requiring further information on this subject are invited to communicate with the Canadian Trade Commissioner in Shanghai.

#### FOREIGN TRADE OF JAPAN, JANUARY TO JUNE

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, August 1, 1936.—The total value of the foreign trade of Japan for the first six months of this year amounted to 2,841,000,000 yen, made up of exports valued at 1,263,000,000 yen and of imports of 1,578,000,000 yen, showing an increase in the value of imports of 314,000,000 yen and an increase in the unfavourable balance of 122,000,000 yen when compared with the figures for the corresponding period of 1935. The import figures showed an increase of 162,000,000 yen or 11 per cent over the previous six months; exports were larger by only 40,100,000 yen or 3·4 per cent.

## PRINCIPAL EXPORT COMMODITIES

Among the principal export commodities the largest decline took place in cotton textiles, which showed a falling off of 27,027,000 yen; in raw silk, of 8,925,000 yen; in wheat flour, of 8,847,000 yen; in silk textiles, of 7,281,000 yen; and in knitted goods, of 178,000 yen—the whole totalling 52,258,000 yen. The following table gives the value of the eight principal commodities exported during the period of 1935 and 1936 under review:—

	Jan.-June 1935	Jan.-June 1936	Inc. or Dec.
	Figures in 1,000 Yen		
Wheat flour.. . . .	19,028	10,181	— 8,847
Comestibles in tin or bottle.. . .	21,981	27,030	+ 5,047
Raw silk.. . . .	158,361	149,436	— 8,925
Cotton yarn.. . . .	17,240	20,206	+ 2,966
Silk textiles.. . . .	39,359	32,078	— 7,281
Rayon textiles.. . . .	65,396	75,131	+ 6,735
Cotton textiles.. . . .	256,444	229,417	— 27,027
Knitted goods.. . . .	23,549	23,371	— 178

The decrease in the value of these commodities amounted to 37,500,000 yen, which was offset by an increase of 92,100,000 yen in the sale of secondary merchandise as indicated in the following table:—

	1935	1936	Increase
	Figures in 1,000 Yen		
Refined sugar.. . . .	9,174	14,151	4,977
Vegetable oil.. . . .	15,400	25,136	9,736
Iron.. . . .	29,106	38,720	9,614
Woollen textiles.. . . .	13,533	19,340	5,787
Machines and parts.. . . .	24,933	33,314	8,381
Fish and whale oil.. . . .	2,467	5,371	2,904
Hats, caps, etc.. . . .	7,220	8,619	1,399
Vegetable isinglass.. . . .	2,579	3,927	1,348

## WHEAT FLOUR

Wheat flour exports for the first half of the year totalled only 3,532,000 bags, a decrease of over 50 per cent when compared with the corresponding period of 1934, when the total was 7,537,000 bags. Compared with 1934, the 1936 shipments represented a decrease of 28 per cent. As is shown in the following table, the decrease was due to a sudden falling off in shipments to Manchukuo, inclusive of Kwantung Province:—

	Jan.-June, 1936	Compared with Jan.-June, 1935
	Figures in 1,000 Sacks of 49 Lbs.	
Manchukuo.. . . .	2,842	— 4,458
China.. . . .	221	+ 184
Straits Settlements.. . . .	14	+ 10
Philippine Islands.. . . .	210	+ 60
Netherlands Indies.. . . .	13	+ 7
Others.. . . .	232	+ 192
	3,532	4,005

## CAUSE OF RISE IN VALUE OF IMPORTS

The manufacturing industries of Japan are largely dependent on foreign sources of supply for raw materials, and in the past an increase in exports resulted inevitably in a corresponding gain in imports. During the period under review, however, although imports increased greatly, exports declined from 15 per cent during the year 1935 to 3.4 per cent during the January-to-June period of this year. This rise in value of imports was due largely to the advancing

commodity prices in foreign countries. The average price of wool, for instance, rose from 96.44 yen per 100 kin in 1935 to 123.90 yen in 1936, or by about 30 per cent, and this condition can be noted to some extent in other products required by the manufacturing industries of this country.

#### PRICE MOVEMENT AVERAGES

On the other hand, the price movement of Japanese export commodities did not follow the cost of imported materials, as may be noted from the following table compiled by the *Oriental Economist*, using 1913 as the basis:—

	Export Goods	Import Goods
1935 Average.. . . . .	100.1	184.3
1935 First half of year.. . . . .	97.6	184.7
1936 First half of year.. . . . .	98.5	190.2

#### PRINCIPAL INCREASES AND DECLINES IN IMPORTS

Raw materials for the textile and heavy industries accounted largely for the increase in value of imports. Wool imports were up 71,300,000 yen, cotton 27,600,000 yen, crude and heavy oil 16,800,000 yen, and beans 10,600,000 yen, resulting in a total increase of 126,300,000 yen. The increase in the quantity of wool imported was due to speculative purchases in anticipation of a Japan-Australia trade dispute; the large purchases of crude and heavy oil can be accounted for by an increased consumption by manufacturing industries, and to the storage of large quantities to be used as a reserve stock in accordance with the recently enacted Oil Storage Law.

The chief items to show declines were: iron by 45,600,000 yen, machinery by 7,900,000 yen, lumber by 2,000,000 yen, and wheat by 2,500,000 yen—a total decline of 58,100,000 yen in these four items alone. The decrease in imports of iron was due to the fact that excessive purchases had been made during 1935 in anticipation of an armament expansion.

#### FUTURE OF THE EXPORT TRADE

In summarizing the visible foreign trade situation during the first six months of the year, it would seem that the export expansion of recent years shows indications of nearing its end, and the effect is felt principally by the textile and canned foodstuff industries. The unfavourable balance of trade was reduced largely by increased exports of secondary or miscellaneous merchandise, and while this may continue, it is thought that the maximum capacity has been reached on account of the fact that there is only a limited productive capacity available on a paying basis resulting from cheap labour and cheap money. In any case, the gain in these items is not such as to counteract the general rise in the import cost of raw materials and the heavy declines in the eight principal export items.

It is not expected that the main export item, raw silk, will—as was the case during 1935 when it reduced to some extent the excess in the value of imports—increase either in price or in export volume during the balance of the year. The exports of textiles are expected to continue to fall off in the face of the restrictive measures that are being enacted abroad, and, as has been already stated, the export of miscellaneous merchandise cannot offset the decline that is foreshadowed in the principal items. Advancing prices for raw materials will affect the export of Japanese merchandise, and the unfavourable balance of trade will probably be increased by purchases of raw materials for military purposes.

The falling off, particularly in the exports of Japanese textiles and pottery, can be attributed largely to the difficulties met with in foreign markets through

tariff and other restrictive action. As an illustration, the following table of exports to certain countries, in which these products bulk large, is given:—

	Jan.-June, 1935	Jan.-June, 1936
China.. . . .	84,768,642	67,464,800
British India.. . . .	128,142,407	120,329,742
Iraq.. . . .	11,168,523	9,293,030
Palestine.. . . .	4,250,205	3,500,463
Dutch East Indies.. . . .	68,483,525	58,752,386
Cuba.. . . .	4,195,099	607,794
Peru.. . . .	3,896,110	2,654,319
Argentina.. . . .	15,116,673	10,736,054
Ecuador.. . . .	3,038,809	2,309,983
Egypt.. . . .	25,763,292	20,200,135
Anglo-Egyptian Sudan.. . . .	6,147,441	5,336,731
French Morocco.. . . .	12,404,312	10,410,931
Spanish Morocco.. . . .	1,535,886	1,160,152

## DAIRY PRODUCTS INDUSTRY AND TRADE OF JAPAN

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

Tokyo, August 10, 1936.—Production of dairy products in Japan has now almost reached self-sufficiency, but small quantities of these products are still imported, due to their special types or grades and principally for the consumption of foreign residents. To cater for an increasing number of consumers who regard milk and butter as indispensable commodities for household use, production of late years has shown considerable development. Imports, however, have declined annually, due in part to higher prices as a result of the depreciation of the Japanese currency, and competition with local supplies, which are 30 per cent lower in price, is becoming increasingly difficult. Exports, on the other hand, favoured by the exchange situation, show a steady increase.

The Nestle-Anglo-Swiss Milk Company of Japan have purchased a Japanese milk plant and have begun producing locally. The Japanese market is divided into two groups—on the one hand the Japanese Milk Producers' Association, and on the other the foreign firms.

### PRODUCTION

According to the latest available government statistics the number of licensed dairies and farmers in 1934 was 27,830 as against 24,953 in 1933 and 22,563 in 1932. Factories numbered 254 in 1934 as against 253 in 1933 and 241 in 1932. The following companies—particularly the first two—are regarded as the largest milk producers: the Morinaga Milk Company, Ltd.; the Meiji Confectionery Company, Limited; the Kyokuto Milk Company, Limited; and the Nitta Milk Products Company, Limited.

In order to be in a position to compete with foreign products, it has long been felt that the milk companies should amalgamate. Working along these lines, the Meiji Confectionery Company have absorbed the Dai Nippon Milk Products Company, Limited, and the Morinaga Milk Company are said to be on the point of amalgamating with the Kyokuto Milk Company. Apart from these large companies, there are a number of dairies which sell milk from door to door and do not manufacture canned powdered milk.

The total production of milk in Japan (licensed dairies, farmers, etc.) was 42,809,624 gallons (22,907,625 yen) in 1932, 46,979,108 gallons (25,879,821 yen) in 1933, and 52,095,030 gallons (27,877,875 yen) in 1934.

The average cost of production of milk per gallon was 0.53 yen in 1932, 0.55 yen in 1933, and 0.53 yen in 1934.

The number of manufactories of dairy products in 1932 was 241; in 1933, 253; and in 1934, 254.

The following table gives the production in Japan for the years 1932 to 1935:—

	1932	1933	1934	1932	1933	1934
	Figures in Short Tons			Figures in 1,000 Yen		
Total production . . . . .	19,033	24,743	28,200	11,981	16,532	18,483
Condensed milk (liquid) . . . . .	12,341	15,999	19,613	6,107	8,531	9,622
Powdered milk . . . . .	832	1,020	1,582	1,307	1,744	2,800
Butter . . . . .	2,026	2,312	2,747	2,767	3,903	4,083
Margarine . . . . .	1,260	1,806	1,791	467	478	661
Cheese . . . . .	17	48	99	18	61	102
Other . . . . .	2,557	3,558	2,368	1,315	1,815	1,215

Although the figures of the production for 1935 are not yet available, they are believed to have shown a substantial increase.

### EXPORTS

Exports of Japanese dairy products in 1935, as compared with 1934, have shown an increase of 43·3 per cent. These are almost entirely exported to Asiatic countries. Prior to the beginning of 1935 exports of condensed milk—2,983 cwts. (267,432 yen) in 1935—were not classified as to whether they consisted of condensed liquid or powdered milk, but from the beginning of 1935 they are separately entered in the returns. Butter, exports of which may be assumed to have shown a considerable increase in recent years and are likely to further increase in 1936, are also shown separately. About 60 per cent of Japanese exports of butter, which totalled 3,721 cwts. (207,616 yen) in 1935, are shipped to the Kwantung Province and not less than 30 per cent to China.

Exports of "other (liquid)" milk are entered as amounting to 155,847 cwts. (1,937,261 yen) in 1935 as compared with 76,640 cwts. (1,537,882 yen) in 1934. There were greatly reduced shipments to Asiatic Russia in 1935. The export of these commodities is not done direct by the producers, but rather through the medium of such large trading companies as Mitsui or Mitsubishi, who support the local producers.

### IMPORTS

Imports of condensed milk show a remarkable decrease, particularly in canned milk, which on account of the development of the domestic dairy industry and of production in Japan by foreign firms has been reduced to one-quarter of the total for 1934. Nestle-Anglo-Swiss Milk and Borden's products have practically controlled this market in the past, and the former company, due to competition, have now purchased a local milk plant on Awaji Island and have begun operations. As can be seen from the following table, imports have been affected by these developments:—

#### *Imports of Condensed Milk into Japan*

	1934	1935	1934	1935
	Lbs.	Lbs.	Yen	Yen
Dried—				
Total . . . . .	721,472	574,352	523,170	442,872
Australia . . . . .	498,160	405,200	380,768	318,004
United States . . . . .	193,491	122,115	128,405	104,138
New Zealand . . . . .	16,434	25,765	3,296	5,396
Switzerland . . . . .	4,887	13,358	3,260	9,063
Holland . . . . .	2,376	4,778	1,129	1,364
Great Britain . . . . .	2,995	2,515	4,739	3,701
Canada . . . . .	2,699	.....	802	.....
Other (liquid)—				
Total . . . . .	1,355,186	347,668	302,333	72,895
United States . . . . .	485,763	272,197	96,684	57,453
Holland . . . . .	217,673	59,511	43,525	12,487
Canada . . . . .	.....	15,259	.....	2,796
Great Britain . . . . .	341,328	675	84,343	153
Australia . . . . .	310,368	.....	77,760	.....

Imports of dried milk consist mostly of the type Klim (from the United States) and Lactogen (from Australia), both well-known brands on the market. Sales of the latter have been gravely affected owing to the tariff dispute between Japan and Australia.

The following prices may serve as an indication of conditions prevalent on the Japanese market:—

*Evaporated.*—Carnation, 16 yen per case; Nestle, 10·50; Meiji, 9·50; and Morinaga, 9·50.

*Dried Powdered.*—Morinaga, 1·20 yen per tin of 450 grams content (1 pound equals 453 grams); Meiji, 1·10; Klim, 8·20 yen per tin of 5 pounds content.

### IMPORT DUTIES

The import duties in Japan on condensed milk amount to 15·70 yen per 133 pounds for liquid milk and 25 yen per 133 pounds for dried milk, the weight of the container being included. Under these conditions, and in view of restrictions on imports from Australia, there may be possibilities for powdered milk for the confectionery trade providing that prices can be met. There were importations some time ago, but these have been discontinued owing to unattractive price levels and competition, and also to shortage in supplies. Liquid milks offer little opportunity owing to the local market's ability to fill all requirements at more attractive prices.

### IMPORTS OF BUTTER

Imports of butter in 1935 fell off to about one-third of those in 1934; 1936 imports may show a further reduction.

#### *Imports of Butter into Japan*

	1934	1935	1934	1935
	Lbs.	Lbs.	Yen	Yen
Total .. . . .	63,661	22,218	36,307	15,335
New Zealand .. . . .	35,805	10,165	17,208	6,408
Australia .. . . .	21,401	9,598	12,372	6,600
Canada .. . . .	8,109	2,096	6,485	1,888

## MARKET FOR HIDES AND SKINS IN JAPAN

P. V. McLANE, ASSISTANT TRADE COMMISSIONER

(The average rate of the yen in 1934 and 1935 was 29 cents Canadian funds)

Kobe, August 14, 1936.—In 1934, according to the factory returns of the Ministry of Commerce and Industry, there were some 791 tanneries in Japan, an increase of 82 over 1933 and of 107 over 1932. The number of employees was estimated at 4,400 as against 3,920 in 1933 and 3,460 in 1932. The tanning industry is well distributed throughout the country, but the majority of the tanneries are in the Hyogo, Tokyo, Osaka, and Wakayama prefectures.

Output reached a high figure of 25,666,003 yen in 1930, but fell off to 18,390,534 yen in 1931. Since then it has been increasing, and was valued at 19,975,882 yen in 1932, 26,537,943 yen in 1933, and 33,863,101 yen in 1934, the last year for which complete data are available. Tanned cow hides make up the bulk of the output of the tanning industry; horse hides are second in importance. The following table gives production figures for 1933 and 1934:—

#### *Output of the Tanning Industry of Japan*

	1934		1933	
	Pieces	Yen	Pieces	Yen
Tanned cattle hides .. .	2,846,706	30,554,731	1,940,236	23,566,638
Tanned horse hides .. .	311,532	1,646,439	317,381	1,683,811
Others .. . . .	....	1,661,931	....	1,287,494
Total .. . . .		33,863,101		26,537,943

## LIVE-STOCK POPULATION

The lack of extensive pastures and the poor quality of the fodder on the existing pasturage have seriously handicapped the development of stock raising in Japan, and as a result have limited greatly the raw material necessary for the tanning and leather industries. In recent years the Government, through the establishment of experimental farms and by importing high-class foreign live stock, has given every encouragement to the development and improvement of stock farming.

In spite of this, however, the industry remains on a small scale, consisting in 1934 of 1,464,289 horses, 1,614,798 cattle, 980,738 swine, 35,953 sheep, and 253,758 goats. Naturally the numbers slaughtered each year are limited: in 1934 they amounted to only 1,433,560 horses, 297,017 cattle, 28,635 calves, 974,140 swine, 1,376 sheep, and 42,557 goats. As raw material for the tanning industry these are not only inadequate as to numbers but as to conditions of take-off, and the age of animals when slaughtered does not make for great uniformity of quality. The hides are also small and not well suited for large-scale manufacture. The resulting deficiency in quantity is made up by imports.

## IMPORTS

According to the latest available returns, the importations of hides and skins (cow and buffalo) were as follows, the leading suppliers alone being listed:—

*Imports of Hides and Skins into Japan*

	1935		1934	
	100 Lbs.	Yen	100 Lbs.	Yen
Total . . . . .	669,269	21,356,266	546,924	16,320,324
Manchukuo . . . . .	28,332	1,040,983	21,696	704,520
China . . . . .	186,081	5,126,339	190,802	5,472,496
United States . . . . .	189,016	6,695,537	199,192	6,280,286
Argentina . . . . .	28,575	1,035,753	10,300	363,882
Australia . . . . .	74,342	2,294,900	32,508	907,445

Imports have shown a large and consistent increase in the last few years. The bulk of these imports are cattle hides, with United States supplies in greatest demand because of their superior and uniform quality and suitability for mass production of leather. Hides from China are less uniform but usually have a price advantage over other imports. Supplies from Manchukuo, Argentina, and Australia have been gradually increasing.

Imports from Canada are not listed in the above table; the total was 2,652 cwts. valued at 103,770 yen in 1935, and 6,735 cwts. valued at 208,787 yen in 1934. Additional quantities of Canadian hides are consigned to the United States for sorting and grading and eventual shipment to Japan; these are credited to the United States in the Japanese returns. Horse hides, sheep skins, goat skins, deer skins, and reptile skins are also included in the table. Horse hides originate principally in China, Manchukuo, and the United States, and are used only to a very limited extent as compared with cattle hides. Sheep skins are required in larger amounts to satisfy the demand for hat and chamois leathers. Improved tanning methods have led to increasing imports of sheep skins. The chief sources of supply are India, China, Australia, and New Zealand. Goat skins come from the same sources but usually in the tanned state. Imports of deer skins are small; they consist of a great number of varieties, and originate chiefly in Formosa, the United States, and Canada. Reptile skins are increasing in importance, due to their utilization in the making of women's shoes, purses, and other specialties. They are tanned in Japan and include crocodile, snakes of various kinds, and lizards.

## SPECIFICATIONS

The hides and skins specifications for the Japanese market are now fairly uniform and are well known to most Canadian suppliers. Once a supplier

establishes the quality which can be shipped consistently and gains the confidence of the ultimate consumer, business is on a satisfactory basis.

There is no duty on the importation of hides and skins into Japan.

## TRADE OF YUGOSLAVIA IN 1935

J. C. DEPOCAS, ASSISTANT TRADE COMMISSIONER

(One dinar at par equals 1.76 cent Canadian; average rate for the year was 2.3 cents.

Figures for 1934 are shown in parentheses)

Milan, August 15, 1936.—Total exports from Yugoslavia during 1935 were valued at 4,030,360,017 (3,878,203,123) dinars, an increase of 4 per cent, and imports at 3,699,774,517 (3,573,297,932) dinars, an increase of 3 per cent. The favourable trade balance rose from 304,905,191 dinars to 330,585,500 or by 8 per cent, and the ratio of the exports to the imports from 108.53 per cent to 108.94 per cent. This was the fifth successive year in which Yugoslavia had a favourable trade balance.

### TRADE BY COUNTRIES

#### EXPORTS

Germany heads the list of countries purchasing Yugoslavian products in 1935, having displaced Italy in first place and Austria in second. The following table shows the principal countries in order of importance, with the values and percentage of total exports credited to each for the years 1935 and 1934:—

	1935		1934	
	Value	Percentage	Value	Percentage
Figures in Thousands of Dinars				
Germany.. . . .	751,465	18.65	597,793	15.42
Italy.. . . .	672,321	16.68	797,578	20.57
Austria.. . . .	577,157	14.32	634,101	16.36
Czechoslovakia.. . . .	540,027	13.40	437,294	11.28
United States.. . . .	224,778	5.58	156,837	4.05
United Kingdom.. . . .	212,267	5.27	180,542	4.66
Hungary.. . . .	200,668	4.98	136,558	3.52
Greece.. . . .	146,903	3.64	145,877	3.76
Belgium.. . . .	136,211	3.38	166,859	4.30
Switzerland.. . . .	97,487	2.42	136,592	3.52
Poland.. . . .	67,059	1.66	50,712	1.31
France.. . . .	62,793	1.56	51,464	1.33

#### IMPORTS

Among countries supplying goods to Yugoslavia, Germany advanced to first from second place in 1934, displacing Italy. Principal sources of supply with values and percentages for 1935 and 1934 were as follows:—

	1935		1934	
	Value	Percentage	Value	Percentage
Figures in Thousands of Dinars				
Germany.. . . .	598,079	16.17	497,162	13.91
Czechoslovakia.. . . .	516,790	13.97	417,608	11.69
Austria.. . . .	441,166	11.92	441,998	12.37
United Kingdom.. . . .	373,445	10.09	331,273	9.27
Italy.. . . .	370,765	10.02	555,045	15.53
United States.. . . .	228,979	6.19	229,648	6.43
France.. . . .	160,866	4.35	177,693	4.97
Hungary.. . . .	107,541	2.91	102,889	2.88
British India.. . . .	95,656	2.59	115,217	3.23
Switzerland.. . . .	89,626	2.42	92,918	2.60
Belgium.. . . .	69,025	1.87	73,420	2.06
Roumania.. . . .	67,896	1.84	63,637	1.78

Imports from Austria, Italy, the United States, France, British India, Switzerland, and Belgium all decreased.

Yugoslavia has a favourable trade balance with Germany, Italy, Austria, Czechoslovakia, Hungary, Greece, Belgium, Switzerland, and Poland.

## TRADE WITH CANADA

Imports from Canada amounted to 467,413 dinars (about \$10,740), the most important items being: harvesters and mowers, 115,000 dinars (\$2,645); tires and tubes, 156,900 dinars (\$3,608); films, 80,040 dinars (\$1,841); raw furs, 18,450 dinars (\$424); patent leather, 11,500 dinars (\$264); and lumber, 15,000 dinars (\$345).

Exports to Canada totalled 84,711 dinars (\$1,948), made up of 47,306 dinars (\$1,094) for medicinal plants and 18,195 dinars (\$418) for musical instruments.

Dominion Bureau of Statistics figures show exports from Canada to Yugoslavia in 1935 totalling \$6,064, while imports from Yugoslavia into the Dominion are valued at \$97,832. The difference between exports (\$1,948) from Yugoslavia in the Yugoslavian statistics and the imports from Yugoslavia, according to the Dominion Bureau of Statistics returns, is due to the fact that the item "hops" indicated as having been imported during the year for a value of \$94,842 by the Dominion Bureau of Statistics is not mentioned in the Yugoslavian statistics as having been exported to Canada.

During 1934 exports to Canada totalled 55,108 dinars (\$1,267), and imports from Canada 482,028 dinars (\$11,086). According to the Dominion Bureau of Statistics, exports from Canada amounted to \$98,034, and imports into Canada to \$1,073.

## TRADE OF SIERRA LEONE IN 1935

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Liverpool, August 24, 1936.—The report of the Comptroller of Customs of Sierra Leone for the year 1935 shows that the colony benefited during that period both by the rise in produce prices and by the increasing output of minerals. There was an appreciable rise in the value of imports and exports as well as in the customs duties collected. An increase is shown in the tonnage of shipping entered and cleared, the total being the highest on record with the exception of that for 1929. A favourable balance of trade amounting to £71,851 in 1934 was increased to £444,303 for the year under review.

As a result of the preferential tariff policy trade with Empire countries showed an improvement, particularly with the United Kingdom. Of the total import trade in 1935, Empire products accounted for 84.06 per cent, an increase of 6.88 per cent over the figure for 1934. Canada's share was 3.4 per cent as compared with 3.5 per cent in 1934.

## IMPORTS

The total value of imported merchandise for the year was £1,126,556 as compared with £776,334 in 1934, an increase of £350,222 or 45 per cent.

## NOTES ON THE IMPORTS

*Food, Drink, and Tobacco.*—An increase of £1,067 to £108,868 in food imports is chiefly due to an increased importation of biscuits, the larger items such as flour and salt showing decreases. Imports of flour were reduced from 30,584 to 29,848 cwts., and those of coarse salt from 3,689 to 3,170 tons.

With the exception of brandy, which showed a decrease of 532 gallons, the consumption of imported ale and beer, spirits, and wines rose appreciably—ale and beer from 84,391 to 102,192 gallons; whisky from 4,322 to 4,997 gallons; gin from 2,728 to 2,906 gallons; wines from 31,918 to 49,809 gallons.

Imports of unmanufactured tobacco rose from 1,014,443 to 1,192,496 pounds. Considerable increases were reported in the importation of this product from Canada and Nyasaland. Cigarette imports continued to expand—from 40,808 pounds in 1934 to 49,214 pounds in 1935.

*Raw Materials, Articles Mainly Unmanufactured.*—An increase of £12,709 in this class—£72,909 compared with £60,200 in 1934—is almost entirely accounted for by the large quantities of commercial coal imported for the bunkering trade. Imports of unmanufactured timber showed a decrease from 872,505 to 681,399 superficial feet.

*Articles Wholly or Mainly Manufactured.*—Import values advanced under this head from £503,764 to £816,438, an increase of £312,674 or 62 per cent. With few exceptions all items recorded an increase, the most noteworthy of which were cotton piece-goods, £297,496 (£107,862); bags and sacks, £46,527 (£24,504); iron and steel manufactures, £64,638 (£35,546); machinery of all kinds, £41,606 (£17,621); cotton yarn, £13,389 (£2,990); wool manufactures, £14,059 (£6,419); apparel, £17,226 (£10,153); hats and caps, etc., £13,815 (£7,236); casks, shoos, staves, and headings, £7,614 (£2,066); implements and tools, £11,305 (£6,405); motor cars and parts, £17,535 (£13,826); cement, £10,097 (£7,556); motor spirit, £13,880 (£9,042).

Imports of mining and gold dredging machinery increased in value from £7,605 in 1934 to £19,585 in 1935, and those of water-boring and pumping machinery from £1,286 to £5,678. These increases are indicative of the progress being made in the development of the mineral resources of the colony.

A considerable decrease was recorded in fuel oil—from £75,824 to £4,412. Other decreases were in artificial silk manufactures, £8,294 (£12,991); and in electrical and telegraphic apparatus, £6,798 (£8,624). Minor decreases occurred in mechanically propelled boats and musical instruments.

#### IMPORTS OF INTEREST TO CANADA

The value of Canadian goods shipped to Sierra Leone during 1935 reached the total of £38,742 as compared with £27,247 in 1934, an increase of approximately 40 per cent. Canada's percentage of the total import trade, however, remained practically the same—3·4 per cent as against 3·5 per cent in 1934. Four items accounted for over 93 per cent of Canada's export trade with the colony, namely, flour, leaf tobacco, lumber sawn or hewn, and motor cars. The following is a summary of the principal items:—

*Flour.*—Out of a total importation of 26,700 cwts. (29,848 in 1934) valued at £18,379 (£19,324 in 1934), Canada supplied 24,278 cwts. (28,740) valued at £16,564 (£18,557). Her nearest competitor was the United Kingdom with 2,189 cwts. (1,090) valued at £1,582 (£744).

*Leaf Tobacco.*—Canada materially improved her position in the supply of this commodity, her percentage of total imports advancing from 5·88 per cent in 1934 to 31·49 per cent in 1935. This improvement was at the expense of the United States. The following table shows the relative positions since 1933 of the supplying countries:—

#### Imports of Leaf Tobacco into Sierra Leone

	1933		1934		1935	
	Pounds	Per Cent	Pounds	Per Cent	Pounds	Per Cent
United States.. . . .	1,081,593	98.04	936,262	92.29	751,828	63.05
Canada .. . . .	11,408	1.03	59,684	5.88	375,547	31.49
Nyasaland .. . . .	6,035	0.54	17,816	1.75	65,121	5.46

*Lumber, Sawn and Hewn.*—Total imports were valued at £8,297 (£10,513). As in 1934, over 50 per cent of the total was from the United States; the value was £4,295 (£6,138 in 1934). Canada was in second place, supplying to the value of £2,317 (£2,399). Other sources of supply were: Norway, £818 (£554); Germany, £287 (£96); Gold Coast, £250 (£617); and Yugoslavia, £116 (£208).

*Motor Cars.*—This item, which includes lorries, recorded an increase from £12,341 in 1934 to £15,845 in 1935. The United Kingdom maintained her position as the principal supplier with shipments to the value of £13,199 (£10,383 in 1934), representing a total of 80 (68 in 1934) vehicles. Canada shipped 17 (14) vehicles valued at £2,308 (£1,616).

Other items of importance in which Canada shared were as follows:—

*Canned Fish.*—Total imports, £3,549 (£3,101): United States, £991 (£724); Portugal, £989 (£782); Canada, £738 (£731); Russia, £305 (£284); Norway, £217 (£203); United Kingdom, £145 (£235).

*Farinaceous Preparations.*—Total, £1,529 (£1,217): Canada, £619 (£536); United Kingdom, £430 (£337); United States, £224 (£105); British West Indies, £82 (£51).

*Milk.*—Total, £7,591 (£7,903): United Kingdom, £5,695 (£4,728); Switzerland, £243 (£420); Denmark, £238 (£369); Canada, £233 (£728); Australia, £161 (£217).

#### EXPORTS

The value of the domestic produce exported from Sierra Leone in 1935 was the highest recorded for six years. The total reached £1,556,816 or £724,007 in excess of that of the previous year. With two exceptions, all articles recorded an increased exportation.

The United Kingdom was the principal purchaser of Sierra Leone products, taking 68·12 per cent of the total shipments. Germany followed with 11·31 per cent, Holland with 7·87 per cent, and British West African possessions with 3·08 per cent. Empire countries shared only to the extent of 0·37 per cent.

The export of the principal agricultural product, palm kernels, totalled 78,019 tons. Only once before—in 1932 when 77,162 tons were shipped—has a figure of over 70,000 tons been recorded. The principal buyers were the United Kingdom, Germany, Holland, the United States, and Denmark. Shipments of kola nuts increased from 29,206 tons in 1934 to 37,183 tons in 1935. Exports of ginger, though increasing in value, were reduced by 3,051 cwts. in quantity, shipments in 1935 totalling 30,121 cwts. The United Kingdom and the United States were the chief purchasers of ginger, taking 11,448 cwts. and 11,439 cwts. respectively. Shipments to Canada increased from 1,668 cwts. to 1,718 cwts. The trade in palm oil was confined chiefly to the United Kingdom, which took 2,223 tons out of a total of 2,892 tons shipped.

Exports of diamonds, gold and platinum all went to the United Kingdom, and all showed substantial increases. Iron ore, which also registered an increase, went largely to the United Kingdom, with small consignments to Belgium, Germany, and Holland. Ginger and piassava were the only products shipped to Canada.

## EXCHANGE CONTROL IN COLOMBIA

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama, September 3, 1936.—As a result of the somewhat obscure wording of Decree No. 1588 as originally published at Bogota on July 6, 1936, the misleading impression was given in the report entitled "Exchange Control in Colombia" which appeared in *Commercial Intelligence Journal* No. 1696 (August 1, 1936), page 231, that the Exchange Control Board of Colombia retains one copy of the licensed order form, as submitted by Colombian importers, for the purpose of sending it to a Colombian consulate. It has been ascertained that this is not the case. The Exchange Control Board retains on its files one copy of the licensed order form, but the original is returned by the board to the Colombian importer upon whom the onus rests of forwarding it to the foreign exporter, who, in turn, is required to submit it to the Colombian consulate along with the customary consular invoices and other documents. The authentication of documents will not be completed by the consul unless the original licensed order form is presented by the exporter.

### REVALIDATION OF PERMITS

As required by Resolution No. 48 of the Exchange Control Board, dated Bogota, June 10, 1936, the revalidation of permits to purchase foreign exchange issued prior to July 1, 1936, and unused up to and including July 31, 1936, has been completed. The total value of the revalidated permits has been given as U.S.\$5,956,994 and 1,020,714 marks. It is the intention of the Exchange Control Board to verify the total value of permits to purchase foreign exchange at the end of each six months, and hereafter it is expected that accurate figures as to the total amount of foreign exchange allocated to importers will be available.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### Marking Earthenware for Australia

With reference to the notice appearing in *Commercial Intelligence Journal* No. 1693 (July 11, 1936), page 88, regarding Australian requirements of the marking of imported "sanitary and lavatory articles of earthenware," it has been decided that the statement of origin applied to sanitary ware must be in

lettering at least three-sixteenths of an inch in height and in such a position as to be readily discernible when the articles are fixed in position. The requirement will apply to urinal stalls imported into Australia on or after November 1, as well as to the articles already notified, viz., lavatory basins, sanitary pans, and cisterns.

### **Jamaica Restrictions on Coronation Souvenirs**

Mr. F. L. Casserly of the Canadian Trade Commissioner's office, Kingston, Jamaica, reports that the Jamaica Government has prohibited the importation into the island, as from September 3, 1936, of the following articles unless they are of British origin: flags of the British Empire; bunting or articles bearing representations of such flags or the royal arms, or portraits of persons of the Royal Family; articles designed as souvenirs of or for use at the commemoration of the coronation of His Majesty King Edward VIII; and fireworks. The purpose of this prohibition is, of course, to ensure that only flags, etc., of British Empire origin shall be used in the colony in the forthcoming coronation celebrations.

### **Netherlands Import Restrictions on Socks and Hosiery**

With reference to the article in *Commercial Intelligence Journal* No. 1650 (September 14, 1935) page 456, Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, writes that according to a royal decree of August 22, during the period from September 1, 1936, to August 31, 1937, inclusive, not more than 40 per cent of the average quantity of socks and hosiery imported from each exporting country per twelve months during the years 1930 and 1931 may enter the Netherlands. The previous quota was also 40 per cent. Special quotas may be granted to countries designated by the Ministry of Commerce, Industry, and Shipping. A certificate of origin is required for entry of these commodities.

### **Reduced Flour Duty Effective in Brazil**

With reference to the notice in *Commercial Intelligence Journal* No. 1688 (June 6, 1936), page 1104, to the effect that a Brazilian decree of May 9, 1936, provided for the reduction in the Brazilian duty on wheat flour from 154.99 to 123.992 milreis per metric ton, Mr. L. S. Glass, Canadian Trade Commissioner in Rio de Janeiro, advises that the reduced duty went into force on August 12, 1936.

## **TENDERS INVITED**

### **New Zealand**

Copies of specifications have been received from Mr. C. M. Croft, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department and the Post and Telegraph Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, and the Director-General (Stores Division), General Post Office, Wellington, in accordance with these specifications.

Particulars are as follows:—

*Public Works Department.*—Arapuni power scheme, Section 527, seven 1,000-kv.a. oil-immersed self-cooled single-phase transformers, to specification and drawings (tenders close November 24).

*Post and Telegraph Department.*—2,500 biasing springs; 100 resistance spools, 1,500 ohms; 100 connection strips, all to specification (tenders close November 17).

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPTEMBER 8

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the weeks ending September 8 and August 31, 1936, with the official bank rate.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 31	Nominal Quotations in Montreal Week ending Sept. 8	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1885	\$ .1884	3½
Belgium . . . . .	Belga	.1001	.1688	.1690	2
Bulgaria . . . . .	Lev	.0072	.0129	.0130	6
Czechoslovakia . . . . .	Krone	.0296	.0413	.0413	3
Denmark . . . . .	Krone	.2680	.2245	.2253	3½
Finland . . . . .	Markka	.0252	.0221	.0222	4
France . . . . .	Franc	.0392	.0658	.0652	3
Germany . . . . .	Reichsmark	.2382	.4022	.4022	4
Great Britain . . . . .	Pound	4.8666	5.0304	5.0488	2
Greece . . . . .	Drachma	.0130	.0094	.0094	7
Holland . . . . .	Guilder	.4020	.6790	.6775	3
*Hungary . . . . .	Pengo	.1749	.2950	.2950	4
Italy . . . . .	Lira	.0526	.0787	.0786	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0229	.0229	5
Norway . . . . .	Krone	.2680	.2527	.2536	3½
Poland . . . . .	Zloty	.1122	.1882	.1883	5
Portugal . . . . .	Escudo	.0442	.0459	.0457	4½
Roumania . . . . .	Leu	.0060	.0073	.0073	4½
Spain . . . . .	Peseta	.1930	1.365 Nom.	1.365 Nom.	5
Sweden . . . . .	Krona	.2680	.2593	.2602	2½
Switzerland . . . . .	Franc	.1930	.3259	.3257	2½
United States . . . . .	Dollar	1.0000	1.0000	1.0000	1½
Mexico . . . . .	Peso	.4985	.2775	.2775	4-5
Cuba . . . . .	Peso	1.0000	.9990	.9990	—
Guadeloupe . . . . .	Franc	.0392	.0658	.0652	—
Jamaica . . . . .	Pound	4.8666	5.0404	5.0588	—
Martinique . . . . .	Franc	.0392	.0658	.0652	—
Other British West Indies	Dollar	1.0138	1.0480	1.0518	—
Argentina . . . . .	Peso (Paper)	.4245	.3353	.3361	3½
	Unofficial		.2815	.2825	—
Brazil . . . . .	Milreis (Paper)	.1196	.0863	.0863	—
	Unofficial		.0587	.0587	—
British Guiana . . . . .	Dollar	1.0138	1.0480	1.0518	—
Chile . . . . .	Peso	.1217	.0517	.0512	4½
	Unofficial		.0417	.0412	—
Colombia . . . . .	Peso	.9733	.5690	.5690	4
Peru . . . . .	Sol	.2800	.2500	.2500	6
Venezuela . . . . .	Bolivar	.1930	.2500	.2500	—
Uruguay . . . . .	Peso	1.0342	.7969	.7950	—
South Africa . . . . .	Pound	4.8666	5.0241	5.0426	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1500	5.1600	—
China (Shanghai) . . . . .	Dollar	.....	.3006	.3008	—
Hongkong . . . . .	Dollar	.....	.3118	.3117	—
India . . . . .	Rupee	.3650	.3797	.3810	3
Japan . . . . .	Yen	.4985	.2944	.2953	3.29
Java . . . . .	Guilder	.4020	.6824	.6808	4
Siam . . . . .	Baht (Tical)	.4424	.4611	.4620	—
Straits Settlements . . . . .	Dollar	.5678	.5894	.5918	—
Australia . . . . .	Pound	4.8666	4.0243	4.0391	—
New Zealand . . . . .	Pound	4.8666	4.0568	4.0717	2½

\* Unofficial .1978

Exchange restrictions are still in force in many countries and exporters, when in doubt as to the effect of such restrictions on their commitments—especially in respect to countries for which more than one rate of exchange is quoted—are invited to communicate with the Commercial Intelligence Service for information.

The Dominion Bureau of Statistics has supplied the following note:—

For the week ended September 4, sterling rates at Montreal moved slightly higher from \$5.03½ to \$5.03¾, while French francs continued under pressure. They held close to 6.583 cents, however, supported by further small gold shipments from Paris to New York. Strength in Argentine peso exchange recently has attracted attention, the free market rate for pesos having risen from 27.7 cents to 28.1 cents during the past month. An active trade balance and the repatriation of funds previously held in the United States have been connected with this movement. New York funds at Montreal were quoted at par throughout the week.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.	Chatham, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Stratford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Woodstock, Ont.	Vancouver, B.C.
Toronto, Ont.	St. Mary's, Ont.	New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Belleville, Ont.	Hamilton, Ont.
Kingston, Ont.	Peterborough, Ont.	Victoria, B.C.
Oshawa, Ont.	London, Ont.	Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Second Clear Flour.....	621	Hongkong.....	Purchase.
<b>Miscellaneous—</b>			
Skis.....	622	Amsterdam, Holland.....	Purchase and Agency.
Birch Plywood.....	623	Cape Town, South Africa..	Agency.
Birch Plywood.....	624	Johannesburg, South Africa	Purchase.
Chromium Plated Novelties....	625	Cape Town, South Africa..	Purchase or Agency.
Goods Suitable for Premium Trade, Gift or Curio Sale.	626	New York, U.S.A.....	Agency.

### CERTIFICATES OF ORIGIN FOR BRITISH PREFERENCES

Canadian exporters are reminded of the importance of supplying correct certificates of origin for goods entitled to preferential tariff treatment in Empire countries. The regulations to be observed vary enough to preclude use of uniform documentation for the different British markets. As regards the principal market, the United Kingdom, goods regarded as growth or produce require 100 per cent Empire content; optical goods and parts require 75 per cent; a selected list of manufactured goods (see F.T.D. Leaflet No. 95) require 50 per cent; for other manufactured goods 25 per cent Empire content suffices. A small number of ingredients must qualify independently for preference. Each "article" is subject to the preference test separately, so that when machinery, etc., is shipped to the United Kingdom knocked-down each separate assembly or part must qualify in itself to be entitled to preference. Notice 27A of the London Custom House, issued in March, 1935, prescribes appropriate forms as follows: D, 119 (Sale), for growth or produce; E, 120 (Sale), for manufactured goods; F, 121 (Sale), for manufactured tobaccos and sugars; FF, 122 (Sale), a supporting certificate for ingredients.

### PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

#### From Montreal

*To Liverpool.*—Duchess of York, Sept. 18; Duchess of Atholl, Sept. 25; Duchess of Bedford, Oct. 2; Montcalm, Oct. 3; Duchess of Richmond, Oct. 9—all Canadian Pacific; Andania, Sept. 25; Antonia, Oct. 9—both Cunard-White Star Line.

*To London.*—Beaverford, Sept. 18; Beaverbrae, Sept. 25; Beaverdale, Oct. 2; Beaverburn, Oct. 9—all Canadian Pacific; Aurania, Sept. 18; Ausonia, Sept. 25; Alaunia, Oct. 2; Ascania, Oct. 9—all Cunard-White Star Line.

*To Manchester.*—Manchester Port, Sept. 17; Manchester Producer, Sept. 24; Manchester Commerce, Oct. 1; Manchester Division, Oct. 8—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Norwegian, Cunard-Donaldson and Dominion Lines, Sept. 26.

*To Southampton.*—Montcalm, Canadian Pacific, Oct. 3.

*To Cardiff, Bristol and Swansea.*—New York City, Sept. 18; Bristol City, Oct. 7—both Bristol City Line.

*To Glasgow.*—Athenia, Sept. 18; Sulairia, Sept. 25; Letitia, Oct. 2; Delilian, Oct. 9—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnesk (calls at Dundee), Sept. 24; Cairnglen, Oct. 8—both Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kelso, Sept. 18; Kyno, Oct. 9—both Ellerman's Wilson Line.

*To Dublin and Belfast.*—Melmore Head, Sept. 17; Dunaff Head, Sept. 23; Lurigethan, Oct. 3—all Head Line (cargo accepted for Londonderry and Cork).

*To Antwerp and Havre.*—Columbia, Sept. 18; Kings County (does not call at Havre), Sept. 27—both County Line; Beaverford, Sept. 18; Beaverbrae, Sept. 25; Beaverdale, Oct. 2—all Canadian Pacific (do not call at Havre).

*To Rotterdam.*—Kings County, Sept. 27; Grey County, Oct. 10—both County Line.

*To Hamburg.*—Frankfurt (calls at Bremen), North German Lloyd Line, Oct. 2; Beaverburn, Canadian Pacific, Oct. 9.

*To Copenhagen, Gothenburg and Baltic Ports.*—A steamer, Swedish-America-Mexico Line, October.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Olympia, Gardiaz Line, Sept. 16.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Olmo, Capo Line, Sept. 22.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Belle Isle, Newfoundland-Canada SS. Co., Sept. 25.

*To Cornerbrook, Nfld.*—A steamer, Clarke SS. Co., September.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Colborne (calls at St. Georges, Bermuda, and also at Guadeloupe and Martinique if sufficient cargo offered), Canadian National, Sept. 17.

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Lady Somers, Canadian National, Sept. 16.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lionel, Ocean Dominion SS. Corp., Sept. 26.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Canadian Cruiser, Montreal Australia New Zealand Line, Sept. 28.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Benholm, Montreal Australia New Zealand Line, Sept. 21.

*To Manila, Hongkong, Shanghai, Yokohama, and Dairen.*—City of Salisbury, Canada Far East Line, Sept. 30; Myrmidon (does not call at Yokohama or Dairen), Blue Funnel Line, Nov. 14.

*To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.*—Cochrane, Elder Dempster Lines Ltd., Sept. 27.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Oran, Sept. 28; City of Hankow, Oct. 12—both Ellerman & Bucknall SS. Co.

*To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—Kota Pinang, Java-New York Line, Sept. 14.

*To Santos and Buenos Aires.*—Nordkap (calls at Montevideo but not at Santos), Canada-South America Line, Sept. 15; Tureby, International Freighting Line, Oct. 26.

### From Quebec

*To Southampton.*—Empress of Australia, Sept. 19; Empress of Britain, Sept. 26 and Oct. 10—both Canadian Pacific.

### From Halifax

*To Liverpool.*—Nova Scotia, Sept. 22; Newfoundland, Oct. 10—both Furness Line.

*To London and Hamburg.*—Capulin, Sept. 17; McKeesport, Oct. 1—both American Hampton Roads (call at Hull, Leith and Dundee).

*To Manchester.*—Manchester Exporter, Sept. 14; Manchester Hero, Oct. 3; Manchester Brigade, Oct. 23—all Manchester Line.

*To Copenhagen and Baltic Ports.*—Batory (calls at Gdynia), Gdynia-America Line, Oct. 6.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Amherst, Sept. 14; Fort Townsend, Sept. 21—both Furness-Red Cross Line; Kongshaug, Newfoundland-Canada SS. Ltd., Sept. 21 and Oct. 5; Nova Scotia (does not call at St. Pierre), Furness Line, Sept. 22; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Sept. 23.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Canadian National, Sept. 24.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Sept. 17; Lionel, Sept. 26—both Ocean Dominion Line.

*To Santiago (Cuba) and Kingston (Jamaica).*—Ciss, Pickford & Black Ltd., Sept. 23.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Colborne (calls at St. Georges, Bermuda, and at Guadeloupe and Martinique if sufficient cargo offered), Canadian National, Sept. 21.

*To Kingston (Jamaica) and Belize (British Honduras).*—Cavelier, Canadian National, Sept. 14.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Chinese Prince, Sept. 26; Silveryew, Oct. 11—both Silver-Prince Line.

### From Saint John

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Canadian National, Sept. 16.

*To Kingston and Jamaican Outports.*—Crawford Ellis, United Fruit Line, Sept. 18.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—A steamer, American and Indian Line, September.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, Sept. 29; Hiye Maru, Oct. 15; Heian Maru, Oct. 31—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Japan (calls Honolulu), Sept. 19; Empress of Asia (calls Nagasaki), Oct. 3; Empress of Canada (calls Honolulu), Oct. 17; Empress of Russia (calls Nagasaki), Oct. 21—all Canadian Pacific; Tyndareus, Sept. 27; Ixion, Oct. 25—both Blue Funnel Line (call at Miike but not at Manila).

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Bintang, Sept. 30; Tosari, Oct. 31—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Niagara, Oct. 7; Aorangi, Nov. 4—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden State, Sept. 15; Golden Coast Oct. 15; Golden Bear, Nov. 15—all Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Hauraki, Sept. 15; Waitapu, Oct. 17—both Canadian-Australasian Line.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Skagern, Empire Shipping Co., Oct. 10.

*To Sydney, Melbourne and Adelaide.*—Hardingham, September; King Edgar, September-October—both Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Delftdyk (calls at Glasgow), Sept. 19; Lochkatrine, Oct. 3; Lochmonar (calls at Glasgow), Oct. 17; Dinteldyk, Oct. 31—all Holland-America Line.

*To London, Liverpool and Cardiff.*—Bradglan, Sept. 29; King City, Oct. 14—both Reardon Smith Line.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., September.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—San Francisco, Empire Shipping Co., Sept. 28.

*To Scandinavian Ports.*—Margaret Johnson, Sept. 22; Brasil, Sept. 29; Nordstjernan, Oct. 25—all Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Rialto, Empire Shipping Co., Oct. 8.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—Elg, Canadian Transport Co., Sept. 14.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Silverwillow, Oct. 5; Siantar, Nov. 5—both Silver-Java Pacific Line.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Brandanger, Sept. 22; Evanger, Oct. 27—both Empire Shipping Co.

*To Puerto Colombia, Kingston and Tampico.*—A steamer, Gulf Pacific Mail Line Ltd., September.

### From New Westminster

*To London and Liverpool.*—Benjamin Franklin (calls at Hull and Oslo), Anglo-Canadian Shipping Co., Sept. 16; Delftdyk (calls at Glasgow), Royal Mail Lines Ltd., Sept. 21; Pacific Ranger (calls at Glasgow and Manchester), Furness Line Ltd., Sept. 24; Gregalia (calls at Glasgow), Balfour Guthrie & Co., Sept. 28; Bradglan (calls at Cardiff), Reardon Smith Line Ltd., Sept. 30.

*To United Kingdom Ports.*—Steel Ranger, B. W. Greer & Son Ltd., Sept. 15; Tudor Star (calls at Continental ports), American Mail Line Ltd., Sept. 18; Europa (calls at Continental ports), B. L. Johnson Walton Co., Sept. 24.

*To Havre, Dunkirk, Antwerp, Rotterdam and Bordeaux.*—San Francisco, Empire Shipping Co., Sept. 27.

*To Brisbane, Sydney, Newcastle, Melbourne and Adelaide.*—Skagrun, Empire Shipping Co., Oct. 5.

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, B. W. Greer & Son Ltd., Sept. 15.

*To South African Ports.*—Silverwillow, Dingwall Cotts & Co., Oct. 1.

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*  
*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

*Tientsin:* C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

### Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

### Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

### Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

### India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

### Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

*Tokyo*: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

*Kobe*: R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

### Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

### Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

### New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

### Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

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**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

# COMMERCIAL INTELLIGENCE JOURNAL

Vol. LV

Ottawa, September 19, 1936

No. 1703



Display of Canadian Fish Products by Hamburg Retail  
Fish Shop

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER



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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LV

Ottawa, September 19, 1936

No. 1703

## CONDENSED PRELIMINARY TRADE REPORT, YEAR ENDED MARCH 31, 1935-36

The Condensed Preliminary Report on the Trade of Canada for the fiscal year 1935-36 has just been issued by the External Trade Branch of the Dominion Bureau of Statistics. This handy little brochure of Canada's trade consists, as in previous years, of two main sections: (1) A Review of Canada's External Trade during the fiscal year just closed (1935-36) and (2) A Series of Statistical Tables (Condensed Statistical Record of Canadian Trade), partly summary and historical, but mainly a presentation of the main items of the trade of Canada with ninety-eight important countries of the world.

The "Review" deals with the volume and value of the Dominion's external trade; its fluctuations, distribution, and routes of transportation. Canada's progress and her present position among the leading trading nations of the world are explained in detail. The "Review" more particularly treats of the following subjects: Canada's Monthly Trade Trends with (a) The World, (b) Empire Countries, and (c) Foreign Countries; Upward Trend in World Trade; Comparison of Value and Volume of Canada's Trade; Canada's Trade with the World in Leading Commodities; Canada's Trade with the United Kingdom in Leading Commodities; Canada's Trade with the United States in Leading Commodities; Canada's Trade in Leading Commodities with (a) Australia, (b) British South Africa, and (c) New Zealand; Operation of Canadian Preference on United Kingdom Imports; Relation between Trade in Raw and Manufactured Products; Canada's Trade Balances by Countries and Continents; Canada's Trade by Continents; Canada's Imports from and Exports to Forty Leading Countries; Canada's Principal Imports and Exports; Canada's Imports for Canadian Industries; Canada's Trade via the United States; Canada's Position in World Trade; Canada's Share in World Trade; Canada's Principal Exports Compared with Similar Exports from Other Countries; and Historical Summary of Canada's Trade by Decades.

Copies of this report may be obtained on application to the King's Printer, Government Printing Bureau, Ottawa, at 25 cents per copy.

## AUSTRALIAN OVERSEA TRADE RETURNS, 1935-36

M. T. STEWART, ACTING TRADE COMMISSIONER

Melbourne, August 10, 1936.—The preliminary statistics of the oversea trade of Australia for the fiscal year ending June 30, 1936, have recently been issued by the Commonwealth Statistician. A review of the figures indicates a substantial increase in the total trade, both imports and exports showing gains, and the year has been a very satisfactory one. The value of exports increased substantially over that for the previous year, resulting in a greater expansion of import trade and, although the statistical details of Canada's share in the increased market will not be available for several months, the records show that Canada's exports to Australia increased very substantially.

Following is a comparative schedule of the total exports and imports for the fiscal years 1934-35 and 1935-36:—

	1934-35	1935-36	Increase
Imports (British currency) . . .	£ 74,119,496	£ 85,313,055	£11,193,559
Exports (Australian currency) . .	112,986,037	135,037,591	22,051,554

Imports during 1934-35 were valued in Australian currency at approximately £92,834,669, and in 1935-36 at £106,854,601. Exports in British currency value were £90,225,168 in 1934-35 and £107,833,613 in 1935-36.

In separating the total merchandise from gold and specie, the excess of exports over imports is shown thus:—

	1935-36	Merchandise only (British Currency)
Exports of merchandise . . . . .	£122,003,953	£97,408,345
Exports of bullion and specie . . . . .	13,033,638	
Total exports (Australian currency) . . . . .	£135,037,591	
Imports of merchandise . . . . .	83,581,927	83,581,927
Imports of bullion and specie . . . . .	1,731,128	
Total imports (British currency) . . . . .	£ 85,313,055	
Exports of merchandise exceeded imports by . . . . .		£13,826,418

Conditions generally in Australia are the best in many years. Internal trade has been steadily increasing, industrial activity in general is at a high level, and the unemployment figures have shown steady improvement; unemployment is no longer a national problem of importance. Production conditions throughout the Commonwealth are excellent. The outlook for a large wheat crop is very hopeful. The high wheat prices recently attained and the absence of selling pressure on the world's markets should do much to rehabilitate the position of the Australian wheat growers in the coming year. Grazing conditions are also excellent, and a large wool clip is assured. Australian credit overseas is at a high level and future prospects are bright.

#### AUSTRALIAN EXPORTS, 1935-36

The total exports from Australia (Australian currency values) increased by £22,051,554 to £135,037,591 in 1935-36. The exports of gold and specie accounted for £13,033,638 of the above total as compared with £10,456,441 during the twelve months of the previous fiscal year.

Exports of merchandise during the period under review exceeded the total for 1934-35 by £19,474,357, an increase of 19 per cent. The volume of exports was not substantially greater, but the increased prices for the main export commodities, notably wool, accounted for the increase recorded.

Following are comparative statistics showing increases and decreases in principal export commodities during the past two fiscal years.

Increases are shown in the following items:—

Lamb, £4,020,000 as against £3,515,000; raisins, £1,501,000 (£1,448,000); fresh apples, £1,494,000 (£1,308,000); wheat, £14,019,000 (£11,612,000); rice, £159,000 (£154,000); wine, £935,000 (£812,000); sheep, £53,282 (£45,351); tobacco, £213,206 (£154,453); gelatine and glue, £82,971 (£59,305); cattle hides, £753,000 (£485,000); kangaroo and wallaby skins, £242,272 (£171,622); rabbit and hare skins, £1,745,000 (£876,000); sheepskins, £2,824,000 (£1,784,000); pearlshell, £303,000 (£218,000); wool, greasy, £46,192,000 (£34,213,000); wool, scoured, £5,734,000 (£4,721,000); wool tops, £405,000 (£332,000); zinc ore, £534,000 (£172,000); machines and machinery, £740,000 (£599,000); iron and steel, £614,000 (£596,000); lead, pig, £3,837,000 (£2,410,000); zinc, bars, blocks, etc., £905,000 (£494,000); leather, £641,000 (£490,000); timber, £868,000 (£797,000); gold, £12,005,000 (£9,817,000); silver, £1,026,000 (£637,000).

Decreases were shown in the following:—

Butter, £9,028,000 as against £9,587,000; cheese, £337,000 (£404,000); eggs, £918,000 (£1,152,000); beef, £2,481,000 (£2,560,000); mutton, £446,000 (£960,000); rabbits and hares, £243,000 (£443,000); sausage casings, £328,000 (£400,000); currants, £376,000 (£583,000); fruits preserved in liquid, £805,000 (£997,000); barley, £368,000 (£394,000); bran, pollard, and sharps, £204,000 (£469,000); flour, £4,546,000 (£4,607,000); sugar, £2,176,000 (£2,196,000); tallow, £662,000 (£929,000); tin ingots, £201,000 (£302,000).

## EXPORTING STATES

As an indication of the relative importance of the various states as exporters of primary produce, the following comparative table is submitted:—

	1934-35	1935-36
	Australian Currency Values	Australian Currency Values
New South Wales . . . . .	£ 37,729,232	£ 46,853,424
Victoria . . . . .	28,119,827	34,718,922
Queensland . . . . .	18,302,879	18,654,953
South Australia . . . . .	11,836,042	15,344,431
Western Australia . . . . .	15,001,121	16,479,831
Tasmania . . . . .	1,969,525	2,943,827
Northern Territory . . . . .	27,411	42,203
Total exports . . . . .	£112,986,037	£135,037,591

## AUSTRALIAN IMPORTS, 1935-36

Many classes of merchandise shared in the total imports shown for the period under review as compared with the fiscal year 1934-35. The total imports (sterling currency values) for the twelve months ending June 30, 1936, amounted to £85,313,000 as compared with £74,119,496 for the previous trade year. Imports of merchandise showed an increase of 15 per cent in 1935-36.

## COMMODITIES SHOWING INCREASES

The principal commodities showing increases in imports during the fiscal year ending June 30, 1936, as compared with the previous fiscal year were:—

Fish, preserved in tins, £773,000 as against £687,000; whisky, £554,000 (£483,000); tobacco, unmanufactured, £1,542,000 (£1,301,000); hides and skins other than cattle and sheep, £360,000 (£321,000); silk, raw, £339,000 (£197,000); trimmings and ornaments, £336,000 (£313,000); gloves, £369,000 (£328,000); carpets and linoleums, £1,565,000 (£1,335,000); bags and sacks, £1,103,000 (£931,000); kerosene, £468,000 (£420,000); lubricating oil, £729,000 (£664,000); petroleum, £4,332,000 (£3,167,000); paints, etc., £473,000 (£430,000); covered cable and wire, £904,000 (£646,000); dynamo electric machines, £516,000 (£285,000); telegraph, telephone instruments, etc., £463,000 (£219,000); metal-working machinery, £533,000 (£334,000); motive-power machinery (excluding electric), £1,899,000 (£1,043,000); printing machinery, £343,000 (£214,000); sewing machines, £315,000 (£248,000); textile-making machinery, £390,000 (£286,000); steel bars, rods, etc., £475,000 (£403,000); steel, plate and sheet (plain), £712,000 (£520,000); steel, plate and sheet (tinne), £1,503,000 (£1,266,000); plated ware and cutlery, £483,000 (£389,000); tools of trade, £876,000 (£751,000); cycle and cycle parts, £590,000 (£512,000); motor chassis and parts, £6,349,000 (£4,662,000); motor cycles, side cars, etc., £284,000 (£192,000); crude rubber, £741,000 (£640,000); timber, undressed, £1,429,000 (£1,367,000); crockery, £530,000 (£493,000); glass and glassware, £815,000 (£638,000); printing paper, £2,032,000 (£1,837,000); writing and typewriting paper, £497,000 (£425,000); books, etc., printed, £1,038,000 (£938,000); watches, clocks, etc., £411,000 (£332,000); films, £527,000 (£474,000); proprietary medicines, £249,000 (£172,000); dyes, £317,000 (£271,000); fertilizers, £878,000 (£656,000); sulphur, £457,000 (£273,000); and arms, ammunition, etc., £996,000 (£609,000).

## COMMODITIES SHOWING DECREASES

The commodities showing the greatest decreases were:—

Tea, £2,078,000 (£2,084,000); piece-goods, cotton and linen, £4,384,000 (£5,095,000); piece-goods, silk, £2,717,000 (£2,915,000); towels and towelling, £306,000 (£368,000); artificial silk yarns, £605,000 (£692,000); cotton yarns, £435,000 (£549,000); residual oils, £488,000 (£541,000); alloys, £287,000 (£365,000); iron and steel pipes and tubes, £389,000 (£527,000); and gold, £1,636,000 (£1,680,000).

It should be noted that the preliminary figures used in this report are subject to revision in the annual statistical report of the oversea trade of the Commonwealth for the fiscal year ending June 30, 1936, which will not be available until the close of the current calendar year.

## IMPORTING STATES

The following summary of imports indicates the preponderance of the States of Victoria and New South Wales, and the ships' manifests indicate that the bulk of Canadian exports to Australia enter these two states:—

	1934-35	1935-36
	British Currency	
New South Wales . . . . .	£32,652,791	£36,290,468
Victoria . . . . .	26,345,073	30,611,267
Queensland . . . . .	6,297,499	6,905,777
South Australia . . . . .	3,965,670	5,418,722
Western Australia . . . . .	4,081,152	5,077,904
Tasmania . . . . .	737,441	997,310
Northern Territory . . . . .	39,870	11,607
Total imports . . . . .	£74,119,496	£85,313,055

## AUSTRALIAN OVERSEA TRADE IN RECENT YEARS

The fluctuations in Australian trade in recent fiscal years are shown in the following table of exports and imports, which gives the trade balance, favourable or unfavourable, to Australia:—

	Total Exports	Total Imports	+Favourable —Unfavourable
	British Currency		
1927-28 . . . . .	£143,213,070	£147,944,970	—£ 4,731,900
1928-29 . . . . .	144,850,452	143,647,881	+ 1,202,571
1929-30 . . . . .	125,127,148	131,081,320	— 5,954,172
1930-31 . . . . .	88,904,000	60,959,633	+ 27,944,367
1931-32 . . . . .	84,923,000	44,729,825	+ 40,193,175
1932-33 . . . . .	96,857,471	58,013,860	+ 38,843,611
1933-34 . . . . .	98,572,632	60,712,926	+ 37,859,706
1934-35 . . . . .	90,225,168	74,119,496	+ 16,105,672
1935-36 . . . . .	107,833,613	85,313,055	+ 22,520,558

## THE AUSTRALIAN EXCHANGE POSITION

The London-Australia exchange rate has continued stable since 1930, although there has been speculation from time to time that it would be increased to offset the rising volume of imports. However, the indications are that the exchange rate will continue stable throughout the current fiscal year, as there are various factors indicative of a good export year with a consequent likelihood of a favourable balance of payments standing to the credit of the Commonwealth in London at its close.

The overseas trade returns for the twelve months' period ending June 30, 1936, showed a favourable trade balance of £22,500,000 English currency. Of this amount, about £21,000,000 English currency is required to pay interest on the public debt in London and New York; the actual results of the year's receipts and payments overseas cannot be closely estimated, but it is thought that the deficit on current items is about £5,500,000 English. Offsetting this is a substantial total of investments from overseas in Australian enterprises, which may nearly cover the estimated net deficit on current items.

The forthcoming coronation festivities in London will attract an unusual number of Australians to England during 1937. The effect of their spending overseas upon the Australian balance of payments is estimated in a recent statement issued by the Federal Treasurer to amount to between £3,000,000 and £3,500,000 Australian currency above any credit which may be obtained from visitors to Australian waters.

## BANKS BUYING AND SELLING DOLLARS

Australian banks, on demand transactions, are to-day buying United States dollars at the rate of \$4.03 $\frac{3}{8}$  (selling \$4), and Canadian dollars at \$4.03 $\frac{5}{8}$  (selling \$4) in Australian currency, including the telegraphic transfer exchange on London of £125 10s. selling and £125 buying on every £100 English currency.

# REVENUE AND EXPENDITURE OF THE COMMONWEALTH AND STATES

The following schedule sets out the position of revenue and expenditure of the Commonwealth and states for the fiscal year ended June 30, 1936:—

	Revenue	Expenditure	+ Surplus — Deficit
Commonwealth . . . . .	£82,203,000	£78,641,000	+ £3,562,000
New South Wales . . . . .	51,872,382	53,559,643	— 1,687,261
Victoria . . . . .	23,923,000	24,038,000	— 115,000
Queensland . . . . .	15,488,991	16,230,806	— 741,815
South Australia . . . . .	11,409,000	11,261,000	+ 148,000
Western Australia . . . . .	10,033,721	9,945,343	+ 88,378
Tasmania . . . . .	3,117,602	3,247,288	— 129,686
Combined surplus for the twelve months . . . . .			+ £1,124,616
		@ \$4.86 to the £	+ \$5,465,634

## TRADE RELATIONS

The buoyancy of the Australian market for many imported commodities, which has been clearly shown during the past two years or more of returning prosperity, has caused the Federal Government much concern, and a definite policy of restriction was brought down on May 22 in the Federal Legislature at Canberra. The main points of the policy were the import restrictions on a specified list of manufactured products from foreign countries, many of the products on the prohibited list being items most advantageously obtained in the United States. In the ordinary course of events, restriction of these foreign imports should materially enhance the prospects for numerous Canadian products in Australia, and this would undoubtedly eventuate but for the fact that the Commonwealth Government are desirous of preventing a further increase in their unfavourable trade balance with Canada and have stated their intention of enacting restrictive measures should they prove necessary, and present indications are that suitable measures are under consideration.

## RESTRICTIVE MEASURES

Included in the new tariff policy were prohibitive specific duties against foreign artificial silk piece-goods and cottons, and the attitude of Japan towards the restriction of these commodities, which has resulted in retaliatory action against Australia, is causing considerable anxiety to the wool-growing interests, upon which Australian economy rests. For wool, wheat, and flour a licence must be obtained from the minister concerned. On hides, skins, beef tallow, beef, butter, condensed milk, and casein an import duty of 50 per cent ad valorem is imposed, in addition to ordinary charges. These items cover all but a small proportion of Australia's exports to Japan.

Japan has been an important buyer of Australian wool during the past few years and the support from this quarter in the wool auctions has been invaluable, as it helped to carry the wool-growing industry in Australia through the most trying years of depression.

The economic and financial sanctions imposed against Italy in November last and lifted on July 15 severely restricted trade between that country and Australia. Imports from Italy fell from £302,000 in the six months ended June 30, 1935, to £117,000 for the corresponding period of the current year, whereas Australian exports to Italy shrank from £474,000 to £139,000 in the corresponding periods, though the June figures showed a marked upward movement due to the renewal of wool buying by Italian mills.

## GENERAL AUSTRALIAN CONDITIONS

Australia has continued her progressive advance towards prosperity along sound lines and at present stands in a very enviable position as compared with many other countries. Her credit overseas is held in high repute, and the extent of her financial recovery during the past four years has been very gratifying. The trend of interest rates in Australia has been upward for the last eighteen months, and there is fairly general agreement that this is likely to continue. Although government policy favours the continuance of low interest rates, the demand for funds arising from the expansion of business and conservative banking practice will probably be sufficiently strong to cause rates to rise. In the opinion of British investors Australian recovery is almost complete, as indicated by the fact that the city of Sydney loan for £2,000,000 was over-subscribed more than fifteen times.

The buoyancy of the stock exchange quotations for the common stocks of many leading Australian industrial enterprises, which are in many cases comparable to the high levels reached in 1930, is a definite indication of the optimistic viewpoint obtaining throughout the Commonwealth, and apart from a high level of industrial activity, the outlook for the primary producers has not been better for many years. Moreover, the flight of capital to Australia from New Zealand has tended to strengthen quotations for Australian securities.

## EXPORT MARKET PROSPECTS

Large surpluses are in prospect for the main export commodities, and the outlook for high prices is more favourable than for many years past. It is rather early to make forecasts, but there are already various indications of an excellent export season. The wool clip may equal last year's in quantity, and current quotations for tops in Bradford indicate a strong market when the new wool-selling season opens with the Sydney auctions on August 31. Wheat crop conditions indicate a good harvest, and in view of the ruling record prices, this is an important factor. The output of butter may remain practically unchanged, but the London prices are substantially higher than a year ago and the results are very beneficial to the dairy industry.

## AUSTRALIAN WHEAT AND FLOUR

M. T. STEWART, ACTING TRADE COMMISSIONER

## WHEAT

Melbourne, August 15, 1936.—Shipments of wheat and flour from Australia for the period from December 1 to the week ending August 10 totalled 73,303,277 bushels as compared with 74,806,003 bushels for the corresponding period of last year. The market for Australian wheat has continued very firm during the past month, chiefly owing to unfavourable crop reports from North America, combined with generally unfavourable weather in Europe. The growers have availed themselves of the prevailing high prices to dispose of their holdings, and there is very little wheat left in the hands of farmers at present.

The price to the growers at country sidings is about 4s. 2½d. per bushel Australian currency, equivalent to 84 cents Canadian, the f.o.b. steamer price being approximately 4s. 9d. per bushel, equivalent to 95 cents Canadian. Wheat has moved so freely from Australia during the past month that it is expected the wheat growers will go into the new crop year beginning December 1 with practically no carryover whatsoever. At present there are about 150,000 tons uncommitted stocks allowing for no carryover, and a fair proportion of this will be required by local millers before the new wheat is available.

## NEW CROP PROSPECTS

The Commonwealth Statistician has estimated that about 12,400,000 acres is sown to wheat, which represents about a 4 per cent increase over the previous year, a matter of 600,000 acres additional. The new crop is progressing very favourably; good rains have fallen over wide areas and the outlook is very satisfactory. Given favourable weather conditions in September, Australia should harvest a good crop, probably about 160,000,000 bushels as a preliminary estimate.

## FLOUR

The export flour market continues featureless, and the millers are only partially active meeting the local demand. In consequence of the rapid advance in wheat prices, flour prices are lagging. Importing centres are not showing any interest in flour at prices equivalent to the present value of wheat, and business is possible only at unremunerative prices. Dairen buyers are still out of the market owing to the political situation, and their absence is keenly felt by the Australian milling trade. Export quotations are nominally £10 2s. 6d. per ton of 2,000 pounds packed in 150-pound sacks, equivalent to \$40.50 Canadian, and £10 7s. 6d. per ton in 49-pound bags, equivalent to \$41.50 Canadian. The local price of flour is £11 17s. 6d. per ton delivered Melbourne (for 2,000 pounds).

## CHARTERING

During last month thirty steamers were chartered for full cargoes of wheat from Australia to the United Kingdom, and after these commitments are completed the surplus of wheat available for shipment from Australia will be unimportant. Schedule rates for full cargoes were increased on July 27 by 1s. 9d. per ton from New South Wales and 1s. 3d. per ton from the other states.

## LIVE STOCK IN THE UNITED KINGDOM

W. A. WILSON, ANIMAL PRODUCTS TRADE COMMISSIONER

London, August 21, 1936.—According to the Ministry's Live Stock Census for England and Wales, dated June 4, 1936, there is an increase in the number of dairy cattle, sheep, turkeys, and ducks, and a decline in the number of other cattle, horses, pigs, and poultry.

## CATTLE AND HORSES

The cattle population is given at 6,533,900 head, and the decrease compared with the June 4, 1935, census is 7,100 head or 0.1 per cent. The number of cows in calf but not in milk totalled 404,900, an increase of 5.9 per cent; other cattle under one year increased to 1,214,900, or by 4.1 per cent. The greatest decrease was in other cattle one year old and under two years, amounting to 4.8 per cent; the total in this class was 1,250,000.

The total number of horses on agricultural holdings is 560,700, a further decrease of 25,700 or 4.4 per cent as compared with 1935, but there is an increase in other descriptions. The total decrease is 9,200 head or 1.1 per cent, and the total number of horses is 864,600.

## PIGS AND SHEEP

Pigs, which in June, 1935, were considerably greater in number than in the previous year, show a decrease of 12,300 or 0.3 per cent, the total pig population being recorded at 3,801,100.

The total number of sheep is 16,630,500 in 1936 compared with 16,477,000 in June, 1935, an increase of 153,500 or 0.9 per cent. Ewes kept for breeding, numbering 7,226,800, and sheep under six months, totalling 7,287,100, are up 102,000 (1.4 per cent) and 131,200 (1.8 per cent) respectively.

## POULTRY

The number of fowls over six months old, numbering 25,267,000, shows a decline of 1,366,000 or 5·1 per cent, but in birds under six months old there is an increase of 482,000 to 32,139,000, or 1·5 per cent; the total reduction being 884,000. The number of turkeys, 734,000, is greater by 50,000 or 7·3 per cent. Ducks number 2,588,000, a gain of 101,000, and geese total 630,000, a decline of 16,000. The total number of fowls is 57,406,000, a decrease of 1·5 per cent as compared with 1935 figures.

## DISTRIBUTION OF UNITED KINGDOM TRADE, JANUARY TO JUNE

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, September 3, 1936.—In a recent report entitled "Conditions in the United Kingdom" published in *Commercial Intelligence Journal* No. 1697 (August 8, 1936), page 250, there appeared a summary of the overseas trade of the United Kingdom during the first half of the present year; this summary gave the more outstanding details concerning the total importations and a number of the more important commodities. It is useful, however, to analyse these statistics somewhat further and in particular to reduce the gross totals to terms of percentages in order that tendencies in international trade during the period January to June, 1936, may be more clearly seen and compared with the same period in 1935. The following table summarizes the general position of distribution of the trade of the United Kingdom as between British and foreign countries:—

	January to June		January to June	
	1935	1936	1935	1936
Imports from—	£1,000	£1,000	Per Cent	Per Cent
British countries . . . . .	143,864	167,273	40.03	41.53
Foreign countries . . . . .	215,513	235,528	59.97	58.47
All countries . . . . .	359,377	402,801	100.00	100.00
Exports (British produce) to—				
British countries . . . . .	95,866	101,118	46.43	48.64
Foreign countries . . . . .	110,609	106,772	53.57	51.36
All countries . . . . .	206,475	207,890	100.00	100.00
Re-exports (imported merchandise) to—				
British countries . . . . .	5,183	5,109	17.97	15.76
Foreign countries . . . . .	23,661	27,298	82.03	84.24
All countries . . . . .	28,844	32,407	100.00	100.00

The *Board of Trade Journal* comments that in considering the changes in percentage distribution it must be remembered that these details are based on the actually recorded aggregate value of trade and do not take into account either changes in these aggregate values or variations in volume of trade consequent upon alterations in price level. For example, although the recorded value of imports into the United Kingdom during the period under discussion was over 12 per cent more than in the corresponding period of 1935, if allowance is made for change in price level, the increase in volume was about 7 per cent. There was, however, relatively little change in the recorded value, average values, or volume of exports; the recorded values of re-exports increased by over 12 per cent, but this was almost entirely due to an increase in the average values.

## TRADE WITH BRITISH COUNTRIES

The proportion of imports from British countries during the first half of the year continued to show a steady increase, which has been noted before in these reports. Compared with a year ago the most striking increase was in the proportion consigned from Canada (see below); an appreciable increase is also recorded for India, 5·75 per cent as compared with 4·97 per cent of the total trade. There were, however, small decreases in imports from the Irish Free State, Australia, and the Union of South Africa. It may be noted also that imports from the colonies form a smaller proportion of the total than a year ago—8·95 per cent as compared with 9·29 per cent.

During the past half year British countries also purchased a larger proportion of the domestic exports of the United Kingdom than in the corresponding period of 1935 (48·64 per cent in 1936 compared with 46·43 per cent in 1935); in fact the percentage was the highest recorded for any period for which comparable data are available. The Union of South Africa, with 8·64 per cent of the total, took first place as an outlet for British exports, having displaced India (8·09 per cent) from a position held for many years previously.

The re-export trade consists chiefly of a redistribution of Empire produce to foreign countries, and the proportion taken by British countries, always relatively small, was appreciably lower for the first half-year than in the corresponding period of last year, and in fact was the lowest recorded in recent years.

#### TRADE WITH CANADA

As has been noted in the previous report already referred to, Canada has definitely increased her share of this market in the first half of the current year. The actual statistics are given below with comparable data for the same periods of 1934 and 1935.

	Jan.-June, 1934	Jan.-June, 1935	Jan.-June, 1936
Imports . . . . .	£22,114,687	£24,139,443	£31,883,555
Exports . . . . .	9,267,820	9,536,665	10,740,370
Re-exports . . . . .	823,377	513,137	451,668

Imports from Canada represented 7·92 per cent of the total trade in the first half of 1936, as compared with 6·72 per cent in the same period of 1935; Canada's purchases of British goods amounted to 5·17 per cent of the total domestic exports from the United Kingdom in the first half of 1936 as compared with 4·62 per cent in the same period of 1935. This increase in purchases by Canada occurred in a period when British exports as a whole had slightly increased.

#### TRADE OF CEYLON, JANUARY TO JUNE

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, August 12, 1936.—Imports into Ceylon for the six months ended June 30, 1936, were valued at Rs.107,651,326 as against Rs.114,091,473 in the corresponding period of the previous year, while domestic exports for the same periods were Rs.124,779,239 and Rs.116,112,699 respectively. The total favourable visible balance of trade in merchandise is shown as Rs.29,364,000 as compared with Rs.13,325,000 in the previous half-year.

#### IMPORTS

As usual the British Empire, and the United Kingdom in particular, was the chief source of supply, but even from these sources there was a falling off in imports. The total imports from the Empire were valued at Rs.70,811,885 for the first half of the current year as against Rs.76,497,568 in the 1935 period, a decrease of Rs.5,685,683. India displaced the United Kingdom as the principal source of supply, furnishing goods to the value of Rs.22,906,493 for the six months of this year as compared with Rs.21,504,951 in the corresponding previous half-year, whereas imports from the United Kingdom amounted to Rs.21,990,925 as compared with Rs.23,757,414 for the six months ended June, 1935. Imports from Australia showed a drop, amounting to only Rs.2,607,036 as against Rs.2,761,715 in the previous half-year. On the other hand, shipments from the Union of South Africa totalled Rs.2,214,247 as against Rs.1,962,727 in the respective period of 1935. Decreases were also registered in imports from the Straits Settlements and other parts of the Empire. Imports from Canada are not shown separately in the official returns.

Under foreign countries the total imports shown were Rs.36,839,441 as against Rs.37,593,905 in the respective periods. The principal sources of supply were Siam, Japan, and neighbouring countries. These imports consist almost entirely of foodstuffs such as rice and other grains consumed by the large native population of the island. On the other hand, from countries which send mainly

manufactured goods the principal source of supply was the United States, which sent goods to the value of Rs.2,424,260 as against Rs.2,523,803 in the previous year. Germany was next in order with Rs.2,044,696 as against Rs.2,088,612 in the corresponding period of 1935, while from countries not definitely mentioned there were goods imported to the value of Rs.4,527,201 and Rs.4,077,399 in the respective periods.

### EXPORTS

Total exports to the British Empire for the six months of this year were valued at Rs.96,073,232 compared with Rs.86,471,133 in the previous half-year, of which the United Kingdom is credited in the respective periods with Rs.69,460,722 and Rs.64,918,448. The next best customer was India with Rs.6,696,540 as against Rs.4,241,229, followed by Australia with Rs.5,478,001 and Rs.5,133,050 respectively. Exports to Canada were valued at Rs.5,228,036 in the current half-year as against Rs.3,508,737 in the similar period of the previous year. These exports are principally tea, rubber, copra and other coconut products. The best customer was the United States, which took goods to the value of Rs.15,895,903 and Rs.12,496,522 in the respective periods.

### TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in Canada in the interest of Canadian trade with their respective territories: Mr. G. B. Johnson, Glasgow; Mr. Frederick Palmer, Bristol (whose territory includes the West of England, South Wales and South Midlands); Mr. Hercule Barré, Paris (whose territory includes the French colonies in North Africa); Mr. L. M. Cosgrave, Melbourne; and Mr. R. P. Bower, who was Acting Trade Commissioner at Batavia, Java.

Their itineraries are as follows:—

#### Mr. Johnson

Vancouver, New West-	Edmonton . . . . .	Oct. 17
minster . . . . .	Saskatoon . . . . .	Oct. 19
Sept. 21 to Oct. 7	Regina . . . . .	Oct. 20
Victoria . . . . .	Winnipeg . . . . .	Oct. 21 and 22
Oct. 8 to 10	Ottawa and district . .	Oct. 26 to 29
Vernon, Kelowna, Pen-	Belleville and district .	Oct. 30 and 31
tiction . . . . .		
Oct. 13 and 14		
Calgary . . . . .		
Oct. 15		
Lethbridge . . . . .		
Oct. 16		

#### Mr. Palmer

Paris, Woodstock . . .	Hamilton . . . . .	Oct. 2 and 3
Sept. 21	Toronto . . . . .	Oct. 5 to 15
London and district . .	Oshawa . . . . .	Oct. 16
Sept. 22	Pictou . . . . .	Oct. 17
Chatham . . . . .	Montreal . . . . .	Oct. 19 to 29
Sept. 23	Waterloo . . . . .	Oct. 30
Windsor and district . .	Granby . . . . .	Oct. 31
Sept. 25 and 26		
St. Thomas, Simcoe . .		
Sept. 28		
Niagara Falls and district		
Sept. 29 and 30		
Brantford . . . . .		
Oct. 1		

#### Mr. Barré

London, Woodstock . . .	Montreal . . . . .	Oct. 5 to 15
Sept. 21	Granby . . . . .	Oct. 16
Kitchener . . . . .	Three Rivers . . . . .	Oct. 19
Sept. 22	Ottawa . . . . .	Oct. 20 and 21
Guelph . . . . .	Quebec . . . . .	Oct. 22 and 23
Sept. 23		
Brantford . . . . .		
Sept. 24		
Hamilton . . . . .		
Sept. 25 and 26		
Toronto . . . . .		
Sept. 28 to Oct. 3		

#### Mr. Cosgrave

Victoria . . . . .	Vancouver . . . . .	Oct. 4 to Nov. 3
Oct. 1 to 3		

#### Mr. Bower

Ottawa and district . . .	Hamilton, Winona . . .	Oct. 26 and 27
Sept. 21 to 24	Thorold, St. Catharines .	Oct. 28
Montreal and district . .	Galt, Preston, Hespeler .	Oct. 29
Sept. 26 to Oct. 10		
Toronto and district . . .		
Oct. 12 to 24		

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Winnipeg, Edmonton, Vancouver and Victoria, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## WHEAT AND FLOUR TRADE REGULATION IN EUROPEAN COUNTRIES

### X<sup>1</sup>

#### Denmark

J. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

Oslo, August 20, 1936.—The importation of wheat, as well as other grains and feeding stuffs, into Denmark is regulated by the Grain Law of April 7, 1936. This law is retroactive from February 24, 1936, and remains in force until August 31, 1937.

The Grain Law provides that during the period it remains in effect the importation of grain and feeding stuffs may take place without any other restrictions than those set out in the law itself. This, however, is subject to a proviso that the Minister of Agriculture and Fisheries is authorized to issue further regulations to control imports should it be considered expedient. Such further regulations as have been issued under this proviso, where they affect wheat and flour imports, are referred to below.

#### IMPORT DUTIES

On the types of grain mentioned below, the import duties provided by the Grain Law are such that the prices, Danish ports, including the duties, are as follows:—

	Per 100 Kilos	Per 220 Lbs.
On barley and soft wheat . . . . .	Kr. 13.00	\$2.91
On maize . . . . .	Kr. 12.50	2.80
On oats and mixed seed . . . . .	Kr. 12.00	2.69
On rye . . . . .	Kr. 11.50	2.58

These prices were increased by 40 öre per 100 kilos, but on September 1, 1936, they will revert to the above amounts. On January 1, 1937, they will be increased by 10 öre, on February 1 by 20 öre, on March 1 by 30 öre, and on April 1, 1937, by 40 öre, on which date the fixed price of soft wheat will be 13.40 kroner per 100 kilos (\$3 per 220 pounds).

It will be observed that the actual duty is the difference between the c.i.f. prices and the prices fixed by the Grain Law, and in this regard the law provides that the duties shall be raised or lowered as the prices of the grains mentioned increase or decrease, but in such a manner that a change in the duties can only take place if at least one week has elapsed after the duty in question has been fixed and the c.i.f. price of the grain concerned is at least 25 öre (5½ cents) lower or higher than that in effect at the time when the amount of the duty was last fixed. For the purpose of calculating the duty the lowest c.i.f. price for each type of good-quality grain is taken as a basis.

At the time the Grain Law came into effect the c.i.f. price for soft wheat was 10 kroner per 100 kilos (\$2.24 per 220 pounds). The fixed price was 13 kroner per 100 kilos, therefore the duty was 3 kroner per 100 kilos (67 cents per 220 pounds). At the time of writing, however, the c.i.f. price of soft wheat is 15.75 kroner per 100 kilos (\$3.53 per 220 pounds), which is above the fixed price, and therefore the duty has been eliminated. The same is true in the case of oats, rye, maize, and barley, but different duties apply to hard wheat and flour thereof.

<sup>1</sup> Previous reports on this subject were published as follows: United Kingdom (No. 1695); Switzerland (No. 1697); Netherlands, Germany and Czechoslovakia (No. 1698); the Irish Free State and Portugal (No. 1699); Belgium (No. 1700); and Italy (No. 1701).

## HARD WHEAT AND FLOUR

The Grain Law provides that the duty on hard wheat and flour thereof will be 100 per cent higher than the duty fixed for soft wheat and flour thereof, though not lower than 3 kroner (67 cents) and 4.30 kroner (96 cents) per 100 kilos respectively. The Minister for Agriculture and Fisheries decides what is meant by the term hard wheat and flour thereof, and at the request and expense of the importer concerned he can have samples selected and analysed in order to ascertain more definitely the degree of hardness, in accordance with which the duty is fixed.

The duty on flour is always equivalent to the duty on wheat, and for the purpose of calculating the flour duty the Ministry of Agriculture and Fisheries have agreed to treat flour on an extraction basis of 70 per cent. The duty on 100 kilos of flour therefore amounts to the wheat duty multiplied by 100 and divided by 70. The minimum duties mentioned above, 3 kroner (67 cents) and 4.30 kroner (96 cents) per 100 kilos for hard wheat and flour thereof respectively, are at present applicable, there being no duty on soft wheat or flour. These duties amount to approximately 18 cents per bushel for hard wheat, and for flour 96 cents per bag of 100 kilos.

## DRAWBACKS

The duties applicable to hard wheat and flour thereof are levied in the first instance on all wheat imported on import licences marked "hard wheat" and on all imported wheat flour. Should an analysis of a sample on the clearance of a parcel show that the wheat or wheat flour concerned contains less than 2.45 per cent and 2.35 per cent of nitrogen respectively, the Valuta Kontor of the National Bank will, on application, refund the importer a percentage of the duty. The amount of the refund varies inversely with the nitrogen content of the wheat and flour, in accordance with the following scale:—

Percentage of Nitrogen in Wheat	Refund Per Cent	Percentage of Nitrogen in Flour	Refund Per Cent
2.44	2.86	2.34	2.86
2.43	5.71	2.33	5.71
2.42	8.57	2.32	8.57
2.41	11.43	2.31	11.43
2.40	14.29	2.30	14.29
2.39	17.14	2.29	17.14
2.38	20.00	2.28	20.00
2.37	22.86	2.27	22.86
2.36	25.71	2.26	25.71
2.35	28.57	2.25	28.57
2.34	31.43	2.24	31.43
2.33	34.29	2.23	34.29
2.32	37.14	2.22	37.14
2.31	40.00	2.21	40.00
2.30	42.86	2.20	42.86
2.29	45.71	2.19	45.71
2.28	48.57	2.18	48.57
2.27	51.43	2.17	51.43
2.26	54.29	2.16	54.29
2.25	57.14	2.15	57.14
2.24	60.00	2.14	60.00
2.23	62.86	2.13	62.86
2.22	65.71	2.12	65.71
2.21	68.57	2.11	68.57
2.20	71.43	2.10	71.43
2.19	74.29	2.09	74.29
2.18	77.14	2.08	77.14
2.17	80.00	2.07	80.00
2.16	82.86	2.06	82.86
2.15	85.71	2.05	85.71
2.14	88.57	2.04	88.57
2.13	91.43	2.03	91.43
2.12	94.29	2.02	94.29
2.11	97.14	2.01	97.14
2.10 or less	100.00	2.00 or less	100.00

## EXCHANGE CONTROL

The Grain Law stipulates that import permits from the Valuta Kontor of the National Bank are required for the import of grain and feeding stuffs into Denmark. Wheat, therefore, is subject to the same exchange licensing system that applies to nearly all commodities entering the country, but in practice, imports of wheat for breadmaking purposes are only nominally subject to the licensing system and are not restricted. When permits for soft wheat are applied for, importers are required to make a declaration on their honour that the wheat is "soft wheat."

## ASSISTANCE TO FARMERS

The Grain Law provides that the proceeds of the duties mentioned above will go into a Grain Fund to be distributed by the Minister of Agriculture and Fisheries to the owners of small farms. For purposes of distribution the Grain Fund will be divided into two parts, the first part to include duties collected prior to September 1, 1936, and the second part to include duties collected after that date. Should the Grain Fund not reach the totals of 16,000,000 kroner (\$3,585,600) and 12,000,000 kroner (\$2,689,200) from the proceeds of the taxes collected before and after September 1 of this year, the balance will be contributed by the Government, though in the case of the latter amount the Government's contribution shall not exceed one-half of the amount collected after September 1 by means of the duties.

The first part of the Grain Fund will be distributed to the owners of farms valued at 15,000 kroner (\$3,362) and under; the second part of the fund will go to owners of farms valued at 10,000 kroner (\$2,241) and under. Distribution will take place in accordance with an established scale.

It should be noted that the proprietors of the small farms referred to above are engaged chiefly in dairying and live-stock raising. As a class they are not wheat growers, and no provision is made for assisting wheat growers as such. The Grain Law provides, however, that farmers who can prove that they have sold and delivered rye of their own cultivation to be milled for human consumption will as soon as possible after September 1 of this year, as well as February 1 and September 1 of next year, be paid from the Grain Fund the sum of 1 krone (22½ cents) per 100 kilos for such parcels of rye sold and delivered within the dates mentioned.

## WHEAT FLOUR CONTROL

In addition to the duties provided by the Grain Law, wheat flour is subject to the import licensing system embodied in the Danish Exchange Control Laws, which first came into force on January 30, 1932. These laws were enacted after Denmark had abandoned the "gold standard," and their original purpose was to enable the Government to maintain a reasonable balance between total exports and total imports and thus safeguard the Danish currency. In practice, however, the Exchange Control Laws enable the Government to regulate imports in favour of any supplying country and to offer home industries and products any desired measure of protection.

Under these laws the Valuta Kontor or Exchange Office of the National Bank was established, and to this office importers of a wide range of commodities are now obliged to apply for import permits at certain specified dates. The possession of such a permit serves the double purpose of assuring entry at the Customs and the necessary foreign exchange to provide for payment abroad. Without a permit the goods in question cannot be imported into the country.

In their original form the Exchange Control Laws provided that importers would be granted licences or permits for not less than 45 per cent of their imports in 1931, subject to the provision that the percentage might be varied for

political-commercial considerations. In an amendment, dated February 5, 1936, the clauses relating to minimum imports were dropped, and now all permits can be granted or withheld at the discretion of the Exchange Office.

Importers have no means of knowing in advance whether import permits will be granted or withheld, but in exercising their discretion with respect to the allotment of permits the responsible officials take into consideration, among other things, the balance of trade between Denmark and the country of origin of the goods to be imported. Preferred treatment with respect to permits is usually given in the case of goods which originate in a country with which Denmark has a favourable trade balance.

#### EFFECTS OF THE LICENSING SYSTEM

As applied to flour, the import licensing system described above has resulted in a drastic curtailment of total imports and a corresponding increase in the production of Danish flour. The volume of flour imported into Denmark in 1935 was less than one-quarter of the amount imported in 1931. Canadian shipments have been greatly restricted.

Import permits for flour are issued by the Exchange Office on the first days of January, May, and September in each year; occasionally there is a supplementary issue. On January 1 of this year permits for Canadian flour valued at 250,000 kroner (\$56,025) were issued, and on May 1 there was a further allotment for a like amount. At the date of writing importers are unable to say whether or not additional permits for Canadian flour will be issued in September.

### XI

#### Finland

J. A. MacDONALD, ASSISTANT TRADE COMMISSIONER

Oslo, August 20, 1936.—The import of wheat into Finland is free of all restrictions other than the customs duties. The ordinary duty on wheat is 1.25 Finnish marks per kilo, which amounts to about 75 Canadian cents per bushel. The customs tariff provides, however, that millers who are employing domestic wheat are entitled to import at a lower rate of duty a quantity of foreign wheat equivalent to the amount of domestic wheat milled. This lower duty has now been fixed at 0.90 Finnish mark per kilo, which amounts to about 54 cents per bushel in Canadian currency.

While the importation of wheat into Finland is not restricted except by the tariff, the trade in foreign wheat is closely supervised by the Government. Importers of wheat must, within three days after the clearance of the goods, report in writing to the Government Grain Fund as to the quantity and country of origin of the wheat or, in cases where the latter cannot be stated, the commercial name or trade-mark under which the wheat is sold. Millers and others handling foreign wheat are obliged to keep records of each transaction, to advise the Grain Fund, and produce invoices and records for inspection when required.

#### MILLING REGULATIONS

The principal measures adopted by the Government for the relief of agriculture have taken the form of artificial maintenance of prices, the stabilization of indebtedness and the lowering of rates of interest, the granting of export premiums on certain foodstuffs such as butter, eggs, cheese, and bacon, and the compulsory milling of Finnish grain.

With respect to the milling regulations, a law (No. 257) was passed on September 30, 1931, for the purpose of stimulating the market for domestic grain. The law stipulated that all flour mills grinding foreign rye and oats must also

mill a certain quantity of domestic grain, and that imported rye flour must be mixed with locally milled flour. The specific quantities are determined periodically by the State Council, which has issued a series of decrees. The latest of these was No. 143, of April 2, 1936, which fixes the milling percentage for Finnish rye and oats at 5 per cent. Previously, however, the milling percentage for these grains had been 25 per cent. It should be noted that these regulations do not apply to wheat.

#### WHEAT CULTIVATION

The Finnish Government has endeavoured to promote an extension of the area devoted to wheat. This has been done by maintaining the price of wheat at a high level and by encouraging the milling of domestic wheat through the application of a high tariff on wheat flour. There are no direct subsidies to wheat farmers.

Finland is becoming increasingly more self-supporting in wheat and other grains. In 1934 it was estimated that about 40 per cent of total requirements of wheat were home grown. In the period 1924-28 the proportion of home-grown wheat was only 12.4 per cent, and before the war it was no more than 2 per cent. During the last two years production of wheat in Finland has been in excess of 89,000 metric tons, over 3,200,000 bushels. In 1933 the wheat production was 2,455,000 bushels as compared with 1,480,000 bushels in 1932, 1,118,000 bushels in 1931, and 864,013 bushels in 1930.

The Finnish Government, while holding the opinion that the milling protection that had been granted was sufficient, nevertheless considered that the customs concessions had not exercised sufficient influence on the cultivation of wheat. They therefore inserted in the Customs Law of December 28, 1934 (which introduced certain amendments in the Customs Tariff for the following year), the provision which entitled local flour mills employing domestic wheat to import, at a lower rate of duty, a like quantity of foreign wheat. As stated in paragraph one, this lower rate is now fixed at 0.90 Finnish mark per kilo, or 54 cents per bushel in Canadian funds. The lower rate was originally 1.10 Finnish mark, which amounted to 66 cents per bushel.

#### WHEAT IMPORTS

Before 1931 the importation of wheat into Finland was inconsiderable. Since then, owing to the high duties on flour, imports of foreign wheat have rapidly increased. In 1928 imports amounted to only 17,233 bushels, but they increased to 470,287 bushels in 1931 and to 1,496,257 bushels in 1933. During 1934 and 1935 wheat imports were in excess of 2,000,000 bushels.

#### WHEAT FLOUR

Imports of wheat flour are also free of official restrictions other than the high duties of 2.25 Finnish marks per kilo on bolted and granulated flour and 1.40 Finnish mark per kilo on unbolted whole wheat flour. In Canadian currency the duties amount to approximately \$4.97 per bag of 100 kilos for bolted flour and \$3.09 per bag of 100 kilos for unbolted flour. The market is largely for a bolted flour, of which the United Kingdom supplies large quantities.

It was intended that the high duties on imported flour would encourage the production of wheat in Finland, but it was also intended that they would stimulate the domestic flour-milling industry. In this latter regard they have been completely successful. The duties have resulted in the increase of the domestic milling capacity to a point where the total capacity output probably exceeds consumption. Meanwhile, wheat flour imports decreased from about 129,000 tons in 1928 to 42,474 tons in 1934 and only 31,768 tons in 1935.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT  
EFFECTIVE FROM JANUARY 1, 1936; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF AUGUST AND EIGHT MONTHS ENDED  
AUGUST 31, 1935 AND 1936)

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS DIVISION)

Commodities	Month of August				Eight months ended August				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value \$	Quantity	Value \$	Quantity	Value \$	Quantity	Value \$		
AGRICULTURAL AND VEGETABLE PRODUCTS										
Fruits—										
Apples, green or ripe.....										15c. per bu. 50 lbs.
Strawberries, fresh.....	48,137	3,788	56,115	4,290	31	182	264	1,207	25c. per bu. 50 lbs.	15c. per bu. 50 lbs.
Grain products—										4c. per lb.
Bran, shorts and middlings.....	161,588	143,801	414,286	462,716	2,111,004	2,409,724	1,878,995	1,714,677	10% ad. val.	10% ad. val.
Cereal foods, prepared, all kinds.....	3,253	22,779	101,182	63,624	588,346	34,045	473,147	45,366	20% ad. val.	15% ad. val.
Screenings.....	217,779	1,589	6,365	38,326	678,840	12,156	473,147	108,622	10% ad. val.	10% ad. val.
Hay.....	70,027	7,684	740,489	99,600	1,539,790	190,758	4,736,975	774,395	\$3 per ton (2,000 lbs.).	\$3 per ton (2,000 lbs.).
Maple sugar.....									4c. per lb.	4c. per lb.
Seeds—									1c. per lb.	1c. per lb.
Clover seed, alfalfa.....			21	159	1,049	12,981	1,006	10,578	8c. per lb.	4c. per lb.
Clover seed, alsike.....			1,017	8,184	12	1,330	1,330	11,103	8c. per lb.	4c. per lb.
Grass seed.....	40	62	2,027	2,395	65,943	414,038	57,297	62,585	2c. per lb.	1c. per lb. (mainly timothy)
Vegetables—									75c. per 100 lbs.	45c. per 100 lbs., Mar. 1 to Nov. 30, if certified seed; 60c. per 100 lbs., Dec. 1 to last day of Feb., if certified seed;
Certified seed potatoes (a).....										75c. per 100 lbs. on imports of certified seed in excess of 750,000 bu. during each twelve-month period, beginning Dec. 1, in any year.
Potatoes, n.o.p. (b).....									75c. per 100 lbs.	75c. per 100 lbs.
Turnips.....	4,238	1,442	11,901	7,094	852,629	189,041	1,206,424	381,291	25c. per 100 lbs.	12½c. per 100 lbs.
Whiskey.....	122,508	682,996	303,557	1,505,554	1,121,974	6,308,853	2,636,362	12,557,111	\$5 per pt. gal.	\$2.50 per pt. gal. if aged in wooden containers for at least four years; \$5 per pt. gal. if otherwise.
ANIMALS AND ANIMAL PRODUCTS										
Animals, living—										
Dairy cattle—										
Weighting 175 to 700 lbs. (a).....	573	34,234	108	5,008	4,025	249,415	5,266	316,835	21c. per lb., 175 to 700 lbs.	21c. per lb., 175 to 700 lbs.
Weighting over 700 lbs. (a).....			869	55,881					3c. per lb. if over 700 lbs.	3c. per lb. if over 700 lbs.
										on imports in excess of 20,000 head during any calendar year.

Cattle, n.o.p.— Weighing less than 175 lbs. (a).....No.	5,537	189,979	5,817 4,880	49,713	81,744	4,435,170	189,407	7,209,727	2½ c. per lb., if less than 175 lbs. 1½ c. per lb., if less than 2½ c. per lb., if less than 175 lbs. on imports in excess of 51,933 head during any calendar year.
Weighing 175 to 700 lbs. (a).....No.									
Weighing over 700 lbs. (a).....No.									
Horses, n.o.p.....No.	508	52,860	674	81,972	4,344	506,231	14,405	1,770,977	2½ c. per lb., if 175 to 700 lbs. 3c. per lb., if over 700 lbs. 3c. per lb., if over 700 lbs., on imports in excess of 155,799 head during any calendar year.
Poultry, n.o.p.....No.	1,735	579	42,071	22,234	10,918	5,205	220,382	120,413	2½ c. per lb., if 175 to 700 lbs. 3c. per lb., if over 700 lbs. 3c. per lb., if over 700 lbs., on imports in excess of 155,799 head during any calendar year.
Fish, fresh and frozen—									
Clams, fresh.....Cwt.	10,505	13,412	3,688	5,855	43,393	47,391	30,375	33,440	Free.
Eels, fresh and frozen.....Cwt.	105	712	111	719	905	4,845	1,140	6,013	1c. per lb.
Halibut, fresh and frozen.....Cwt.	3,182	24,396	6,871	68,628	20,963	190,855	33,497	298,036	2c. per lb.
Herring, sea, fresh and frozen.....Cwt.	40,668	33,626	40,060	37,556	150,132	145,761	82,584	95,708	Free.
Salmon or lake trout, fresh and frozen.....Cwt.	4,201	42,003	6,232	62,900	16,854	169,605	22,013	224,806	1c. per lb.
Lobsters, fresh.....Cwt.	13,750	216,334	7,718	189,478	80,473	1,369,077	84,022	1,670,402	Free.
Oysters, fresh.....Cwt.	31	222	8	81	675	5,135	56	297	Free.
Salmon, fresh and frozen.....Cwt.	9,292	79,135	18,677	174,414	36,258	339,495	51,540	532,856	2c. per lb.
Smelts, fresh and frozen.....Cwt.	12	59	9	53	43,325	465,039	04,084	621,057	Free.
Swordfish, fresh and frozen.....Cwt.	6,506	74,630	13,974	156,289	6,871	80,723	16,988	198,124	2c. per lb.
Tulibee, fresh and frozen.....Cwt.	97	608	220	1,393	13,242	75,298	15,069	89,697	1c. per lb., if frozen. 3c. per lb., if not frozen.
Whitefish, fresh and frozen.....Cwt.	9,267	99,144	11,591	135,297	749,963	760,993	81,522	896,800	1c. per lb.
Fish, pickled, salted, and smoked—									
Alewives, salted.....Cwt.	933	1,436	339	1,591	2,671	6,518	1,271	2,527	1½ c. per lb., net weight.
Herring, sea, smoked.....Cwt.	86	760	.....	.....	4,820	18,755	9,298	32,565	3c. lb., if boned; 1½ c. per lb., not boned.
Salmon, pickled.....Cwt.	394	3,537	223	3,230	3,082	42,725	910	10,708	25% ad val.
Fish, canned—									
Clams, canned.....Cwt.	.....	5	1	14	97	1,901	5	67	23% ad val., if razor clams; 35% ad val., if other kinds.
Lobsters, canned.....Cwt.	661	30,196	898	57,817	3,562	186,044	4,060	250,444	Free.
Fur skins, undressed—									
Beaver.....No.	5,010	50,872	7,627	107,099	42,705	390,528	31,247	387,203	Free.
Mink.....No.	2,113	15,797	1,760	15,797	101,523	849,793	32,555	1,107,814	Free.
Muskrat.....No.	38,086	43,638	57,403	90,401	528,063	569,099	266,388	402,010	Free.
Wolf.....No.	1,028	6,472	846	7,105	21,157	153,287	40,380	342,015	Free.
Lather—									
Harness leather.....	.....	.....	.....	632	.....	.....	.....	2,372	191% ad val.
Patent leather.....	.....	2,950	.....	9,683	.....	.....	.....	73,063	15% ad val.

(b) Includes "certified seed potatoes" prior to April 1, 1936.

(a) Not separately shown prior to April 1, 1936.

## CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES, Etc.—Concluded

Commodities	Month of August				Eight months ended August				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
Meats—										
Poultry, dressed or undressed.....Lb.	9,879	\$ 2,028	33,029	\$ 8,264	77,564	\$ 14,948	172,473	\$ 43,437	10c. per lb.	6c. per lb., if chickens and guineas; 10c. per lb., if other poultry.
Milk products—										
Cheese.....Cwt.	472	8,112	28,586	286,247	2,554	45,314	82,459	1,109,741	7c. per lb., but not less than 25% ad val., if cheddar cheese in original loaves; 7c. per lb., but not less than 35% ad val., if other kinds of cheese.	5c. per lb., but not less than 25% ad val., if cheddar cheese in original loaves; 7c. per lb., but not less than 35% ad val., if other kinds of cheese.
Cream.....Gal.	2		1,938	2,877	7		8,094	11,233	56-6/10c. per gal.	35c. per gal.; 56-6/10c. per gal. on imports in excess of 1,500,000 gals. during any calendar year.
Whale oil.....Gal.	88,894	22,176	132,305	28,338	340,393	85,219	388,846	92,648	5c. per gal.	2½c. per gal.
Wood, Wood Products and Paper										
Shingle bolts of pine or cedar.....Cord	12	506	13	53	117	439	91	373	Free.	Free.
Stave and other bolts, n.o.p.....Cord	3,711	18,828	5,134	26,409	31,823	146,720	33,408	152,912	Free.	10% ad val.
Firewood.....M	31,305	77,623	45,039	156,088	160,269	374,500	164,901	532,870	Free.	Free.
Laths.....M ft.	14,186	163,954	7,416	72,154	51,904	526,611	76,465	456,225	Free.	Free.
Masts and spars.....						63		20	\$1 per M ft. b.m., if fir; spruce, pine, hemlock or larch; free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.
Pickets.....M	730	4,113	1,135	7,803	5,231	38,450	4,448	30,301	Free.	Free.
Piling.....Lin. ft.	63,097	3,953	58,804	3,588	249,861	17,406	339,302	24,036	\$1 per M ft. b.m., if fir; spruce, pine, hemlock or larch; free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.
Planks and boards—										
Flooring of hardwood.....M ft.	12	397	32	1,449	353	17,024	329	16,127	8% ad val.	4% ad val.
Planks and boards, softwood.....M ft.	48,342	988,294	39,566	914,594	220,066	4,996,774	335,247	7,408,506	\$1 per M ft. b.m. Revenue Tax if fir, pine, hemlock or larch; free, if other kinds of wood, but subject to \$3 Revenue Tax per M ft. b.m.	50c. per M ft. b.m. and \$1.50 per M ft. b.m. Revenue Tax if fir, spruce, pine, hemlock or larch; (a) free, if other kinds of wood, but subject to \$1.50 Revenue Tax per M ft. b.m.
Planks and boards, hardwood.....M ft.	2,243	67,439	3,621	132,742	9,889	350,192	21,093	737,398	Free, but subject to \$3 per M ft. b.m. Revenue Tax.	Free, but subject to \$1.50 per M ft. b.m. Revenue Tax.
Poles—										
Telegraph and telephone.....No.	18,025	48,027	32,057	82,412	146,960	395,908	162,509	444,008	Free.	Free.
Other poles.....										
Posts, fence.....No.	3,201	13,589	25,123	13,320	269,738	18,472	355,073	52,253	Free.	Free.
Pulpwood.....Cord	160,786	1,759	140,634	3,201	604,679	23,248	4,746	32,563	Free.	Free.
Railroad ties.....No.	29,681	1,221,278	29,437	1,093,431	82,019	4,279,981	648,245	4,746	181	Free.
Shingles.....Square	336,466	18,584	28,419	23,618	1,563,524	49,069	143,213	115,460	Free.	Free.
Staves and headings.....										
		979,216	228,419	557,665	1,563,524	4,095,086	1,373,735	3,525,023	Free.	Free.
		1,956		1,857		30,196		9,567	Free, if staves; 33½% ad val. if headings.	Free, if staves; 33½% ad val. if headings.

Timber, square, softwood.....M ft.	257	4,741	57	1,722	1,694	32,611	3,952	62,881 \$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; 50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; 16c. per M ft. b.m., if other kinds. Free.
Timber, square, hardwood.....M ft.		16	3	124	3	244	4	Free.
Wood, pulp.....Cwt.	858,647	1,892,617	1,190,020	2,432,481	6,602,023	14,310,932	8,261,227	Free.
Paper—Newsprint.....Cwt.	3,312,993	5,809,926	3,900,920	6,826,995	25,824,663	44,739,687	29,710,252	Free.
<b>IRON AND ITS PRODUCTS</b>								
<b>Iron implements—</b>								
Cultivators.....No.	90	7,877	14	2,464	1,150	100,346	1,389	Free.
Drills.....No.	25	3,637	34	4,169	289	35,125	395	Free.
Harrows and parts.....No.	126	164	4	1,230		14,888		Free.
Harvesters and binders.....No.	19	24,340	4	1,139	782	145,127	711	Free.
Hay rakes.....No.	2	104	3	223	1,551	17,952	156	Free.
Mowers and reapers.....No.	2	27,032	3	30,679	8,455	29,705	7,511	Free.
Ploughs and parts.....No.	21	20,748	1	1,256		238,022		Free.
Reaper threshers.....No.	288	23,507	225	13,293	70	51,987	163	Free.
Parts of farm implements, n.o.p.....Ton		7,694		2,833	5,000	233,779	3,305	Free.
Ferro-silicon.....Ton						101,660		Free.
<b>Ferro-manganese and other ferro-alloys</b>								
n.o.p.....Ton	4,872	114,172	8,477	195,057	19,035	485,956	29,811	753,860 1½c. per lb. on manganese content; when containing 8% or more but not less than 30% of silicon.
<b>Skates</b>								
Pair.....Pair	36,529	25,970	804	708	65,055	46,176	132,801	82,600 20% ad val.
<b>NON-FERROUS METALS AND PRODUCTS</b>								
Cobalt in ore.....Cwt.			284	18,793	260	9,202	913	52,478 Free.
Nickel in matte or speiss.....Cwt.			11,422	205,402	53,744	967,257	76,708	1,380,560 Free.
Nickel in oxide.....Cwt.	245	5,548	3,049	75,886	3,763	75,653	11,937	233,610 Free.
<b>NON-METALLIC MINERALS AND PRODUCTS</b>								
Abasives, artificial, crude.....Cwt.	100,000	254,740	122,445	247,721	843,697	2,013,074	939,188	2,431,006 Free.
Abasives.....Ton	5,886	282,626	7,689	376,683	35,010	1,766,771	47,405	2,483,295 Free.
Asbestos sand and waste.....Ton	9,797	159,319	14,073	225,544	51,445	804,261	81,356	1,308,739 Free.
Feldspar.....Ton	1,213	8,425	1,155	8,085	6,364	36,272	6,376	42,877 50c. per ton, if crude; 30c. per ton, if crude.
Gypsum, crude.....Ton	51,472	59,730	83,024	96,216	182,842	215,600	252,487	293,750 Free.
Lime.....Cwt.	8,938	5,909	21,274	9,146	69,387	33,128	146,883	60,591 Various.
Talc.....Cwt.	15,222	7,715	16,900	8,385	98,523	49,987	114,293	57,063 35% ad val.
<b>CHEMICALS AND ALLIED PRODUCTS</b>								
Acetic acid.....Cwt.	33,006	198,028	30,141	161,255	225,044	1,325,999	182,568	982,697 2c. per lb., if over 65%.
Cyanamid.....Cwt.	65,788	62,944	122,702	117,193	1,581,361	1,685,432	1,681,419	1,735,691 Free.
Sulphuric acid.....Cwt.	622	622	2,233	1,588	9,967	6,661	11,947	8,424 Free.
<b>MISCELLANEOUS COMMODITIES</b>								
Organs.....No.	2	4,710			6	29,825	2	6,793 35% ad val.
Total exports of above commodities.....		14,532,066		18,475,564		106,813,938		134,491,078
Total domestic exports to United States.....		29,844,902		44,398,831		215,758,571		240,752,310

(a) Reduced rates not applicab'e to imports of Douglas fir or Western hemlock in any calendar year in excess of an aggregate quantity of 250,000,000 feet, board measure.

## MARKET FOR ASBESTOS FIBRE IN BELGIUM

MAURICE BÉLANGER, ASSISTANT TRADE COMMISSIONER

Brussels, August 20, 1936.—Asbestos fibre is used to a considerable extent in Belgium, especially in the asbestos-cement industry, which is highly developed. Imports for the past four years, with main sources of supply, are shown in the following table:—

	1932	1933	1934	1935
	Metric Tons of 2,204 Pounds			
Total imports . . . . .	1,271	2,831	1,824	2,537
Canada . . . . .	233	577	205	267
South Africa . . . . .	178	386	288	991
U.S.S.R. . . . .	10	403	488	228
United States . . . . .	....	....	322	509
Great Britain . . . . .	34	28	21	42
British West Africa . . . . .	48	108	53	14
Portuguese West Africa . . . . .	144	420	267	129
Germany . . . . .	264	506	46	10
Holland . . . . .	342	335	28	15
Cyprus . . . . .	....	....	29	67

It should be noted that imports into Belgium are not always credited to the country of origin but in some cases to the country of last shipment, which may not be a producer of asbestos. Imports credited to countries such as the United States, Great Britain, Germany, and Holland may be made up of Canadian, South African, or Russian asbestos.

### CONSUMING INDUSTRIES

Over 90 per cent of the asbestos imported into Belgium is consumed by the asbestos-cement industry in the manufacture of shingles, tiles, piping, insulation, etc. There are five firms engaged in the manufacture of these products, either as a specialty or a side-line to the manufacture of artificial Portland cement. Only one of these firms, however, is really a large consumer, its requirements representing approximately 85 per cent of total Belgian imports.

Outside of asbestos shingles, tiles, and other asbestos-cement articles, the manufacture of asbestos goods is not extensive. There is one firm specializing in asbestos millboard, but their annual consumption does not exceed 250 metric tons. Another firm are interested in the manufacture of asbestos cloth, cord, packing, and similar articles, but the production is not large and their imports of spinning fibre are comparatively small. Asbestos brake lining is not made in Belgium.

### GRADES OF ASBESTOS USED

The firm mentioned above as being the largest Belgian consumers of asbestos, absorbing 85 per cent of total imports, use shingle fibre of various grades almost exclusively, but some of the other firms manufacturing asbestos-cement articles use lower grades, one manufacturer using shorts exclusively. The one manufacturer of asbestos millboard uses both paper fibre (Quebec Standard grade 5R) and shorts (Quebec Standard grades 7D and 7K). Spinning fibres are imported but in very small quantities.

### SUPPLYING COUNTRIES

Import statistics do not give an accurate indication of the relative importance of the various sources of supply. It is estimated, however, that imports at the present time are about 45 per cent Canadian, 45 per cent South African, and 10 per cent Russian. These proportions, however, vary considerably from year to year according to prices ruling in the different producing countries. Some

manufacturers of asbestos-cement state that, other considerations being equal, they prefer Canadian asbestos, due to its higher tale content, which prevents it from adhering too closely to the cement.

#### METHODS OF MARKETING

The bulk of the asbestos imported into Belgium is handled by commission agents. Canadian asbestos is handled mostly by agents of Canadian mines who are located in France; no Canadian shippers are directly represented in Belgium. The number of buyers, however, is not great, and the market is not a difficult one to cover. In some cases small buyers purchase from dealers and brokers located in various countries, but the volume of these sales is small. Russian asbestos is all handled by an official representative of the Soviet Government located in Belgium.

#### FORTHCOMING FUR AUCTIONS AT GENEVA

W. G. STARK, ASSISTANT TRADE COMMISSIONER

Rotterdam, August 25, 1936.—The International Skin and Fur Market Co. Ltd., 10 rue Diday, Geneva, a new organization for the conducting of fur auctions, has been formed in Switzerland. The first sales are scheduled for December next and will be followed by four regular auctions per annum, the two principal ones being in August and in December.

The company hopes to have a representative collection of pelts for the inspection of continental buyers and would like to obtain suitable offerings from Canadian fur exporters.

A specially fitted building is under construction in the free port to facilitate entrepôt trade, and thus any merchandise destined for or shipped from the auctions may be handled without undergoing customs formalities.

According to their prospectus the company will also insure the goods against theft or deterioration, and sorting and classification will be done by qualified and competent persons. Arrangements have been made with several of the transport companies to secure best terms for shipment of the goods to their ultimate destinations.

#### METHOD OF CONDUCTING SALES

The Geneva auctions are to be modelled along the general lines of the regular fur auctions in London. Main sales to the trade will take place at the four regular auctions, but arrangements will be made to allow for supplementary exchanges between interested parties at all times. The rules and regulations prescribe the manner in which payments are to be made. Merchandise is to be exhibited before the sale, although advances will be obtainable from the banks for the pelts sent on consignment, following the methods adopted at other auction sales. All merchandise catalogued for auction is subject to a 5 per cent commission, including fiscal, insurance, wardenry, and up-keep charges. A catalogue of furs offered for sale will be available to interested parties fifteen days before each auction.

Due to the present international situation the auctions at Leipzig can no longer command their former interest, and the Geneva sales will provide an opportunity for continental buyers who are not always free to undertake the longer trip to London. Both the local Chamber of Commerce and the Department of Commerce and Industry of the Canton of Geneva are extending their support to the organization. The firm was organized as a joint stock company on March 14, 1936, with a capital of 20,000 Swiss francs (approximately \$6,666 at the current rate of exchange). Their bankers are the Société de Banque Suisse.

Copies of the Swiss organization's prospectus, regulations and adhesion forms are available to interested Canadian exporters on application to the Department of Trade and Commerce, Ottawa. Additional information will be readily supplied by the International Skin and Fur Market Co. Ltd., 10 rue Diday, Geneva.

## UNITED STATES MARKET CONDITIONS FOR HAY

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

New York, September 8, 1936.—During the past two months a strong demand has developed for Canadian hay in the dairy sections of the Eastern United States. With the exception of the State of Wisconsin, this eastern area—comprising New York State, Massachusetts, New Jersey, Pennsylvania, and portions of adjoining states—is the largest milk-producing area in the country. In Wisconsin, however, local supplies of feedstuffs abound, while the production of hay and other feedstuffs in the Eastern States, though usually plentiful, is not sufficient to meet the full requirements of dairymen.

When the Department of Agriculture reported on August 1 that the supply of feed grains available from this year's harvest would probably total only 58,000,000 bushels, or about 31 per cent less than in any recent year, the prices for hay and other feedstuffs increased in firmness. In addition, pasturage conditions throughout the United States were estimated to be only 39.6 per cent of normal. This encouraged the belief that any reserve supplies of hay and feeds normally stored for winter feeding would be required for use in the late summer and autumn, and warranted the expectancy of a general increase in feed prices as the season progressed.

### DOMESTIC PRODUCTION

The production of feedstuffs in the Eastern States has been much more satisfactory than in many of the other sections of the country. According to figures available under date August 1, the estimated hay crops in the various states comprising this area were only about 2,500,000 tons lighter than in the previous year.

Shippers, however, have been inclined to withhold supplies in the face of increasing demand, and dealers in the Eastern United States have turned to Canada as the nearest available source of supplies.

While some of this hay is needed for the feeding of horses on estates and in racing stables, the bulk of it is for sale to dairymen. In consequence, only the best grades of timothy, light clover mix, and alfalfa have wide acceptance. While there are theoretically federal grading rules for hay, and also hay standards issued by the National Hay Association, in actual practice hay is bought on the basis of mutual understanding between buyer and seller. Under these circumstances, there is a possibility of losses being incurred by Canadian shippers who are not familiar with the practices of the United States market, and it is recommended that sales be confined to the basis of outright purchase at the time and point of shipment in Canada.

### PRICES

Quotations vary in different sections of the Eastern States, but it is believed that New York market prices provide a fair reflection of prevailing values; on August 27 these were as follows per ton, in large or small bales: timothy No. 1, \$22; timothy No. 2 top, \$21; timothy No. 2, \$19 to \$20; timothy No. 3, \$17 to \$18; clover mixed No. 1, \$23 to \$24; clover mixed No. 2, \$18 to \$19; alfalfa first cut, \$23.

Some idea of the approximate price obtained f.o.b. Canadian shipping points may be arrived at by deducting from the above New York spot prices \$1 to \$1.50 per ton profit to dealer, \$3 for duty, 25 cents for clearance charges, and about \$8 per ton for freight. The last-mentioned item is the major factor affecting Canadian shipments of hay to the United States. A charge of about 36 cents per 100 pounds from Eastern Canadian shipping points to Boston, of about 38 cents to New York, and 44 to 48 cents to points in New Jersey, increasing in

proportion to the distance, limits the area to which Canadian hay may be shipped economically. As far as is known, there is little traffic by water, most of the shipments being made by rail.

### GRADING

Detailed information respecting grading regulations for the United States, as established by the National Hay Association, may be obtained by interested Canadian exporters on application to the Department of Trade and Commerce, Ottawa. Shippers will find it to their advantage to exercise every care in filling orders according to grades specified.

The usual three-wire bales of 120 pounds are quite suitable for the dairy trade, while the five-wire bales are perhaps most acceptable to the racing stables and estates.

### METHOD OF PURCHASE

The majority of dealers purchase outright. Some firms send their own representatives to Canada to negotiate directly with the growers or shippers; others sell consignment shipments on a commission basis of from \$1 to \$1.50 per ton.

The office of the Canadian Trade Commissioner, British Empire Building, Rockefeller Center, New York City, will be pleased to supply names of importers to interested Canadian shippers on request.

## ARGENTINE FLOUR-MILLING INDUSTRY, 1935

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, August 17, 1936.—The production of wheat flour in Argentina has tended to increase steadily during the past ten years; this has been due to a relatively greater increase in domestic consumption, since exports of flour are still far below the levels attained in 1928-29.

There were 184 mills shown as operating in 1934 with a 24-hour capacity of 327,000 bushels of wheat. In 1935, the aggregate production of 194 mills which were operating was 16,153,000 barrels of flour, a slight increase over the 15,918,000 barrels produced in 1934. The following table shows the trends in flour production, domestic consumption and exports from 1919 to 1935:—

### *Production and Distribution of Flour in Argentina*

	Wheat		Production		Flour Distribution	
	Exported Bus.	Milled Bus.	Flour Bbbs.	By-Products Tons	Domestic Bbbs.	Exported Bbbs.
Figures in Thousands						
1919-23.. . . .	128,783	50,980	10,820	...	9,094	1,725
1924-28.. . . .	139,161	64,352	13,815	...	11,689	1,783
1928.. . . .	194,000	69,270	14,971	...	13,069	1,901
1929.. . . .	242,700	67,542	14,619	...	13,078	1,540
1930.. . . .	81,200	65,345	13,983	516	12,810	1,173
1931.. . . .	133,500	69,865	14,932	554	13,962	968
1932.. . . .	126,300	67,436	14,567	520	13,915	651
1933.. . . .	144,200	69,795	15,075	538	13,961	1,112
1934.. . . .	175,900	71,063	15,918	561	14,676	1,242
1935.. . . .	141,700	74,418	16,153	573	15,157	995

### EXPORTS OF FLOUR

Export markets have accounted for 9 per cent of the aggregate production of flour in Argentina since 1919. The principal consumers are the more adjacent South American countries, of which Brazil is the most important, and the

United Kingdom. The following table shows the exports of Argentine flour, together with the quantity of wheat taken by the main flour consuming markets:—

*Exports of Wheat and Flour from Argentina*

	1935		1934		1933		1932		1929	
	Wheat Bus.	Flour Bbls.	Wheat Bus.	Flour Bbls.	Wheat Bus.	Flour Bbls.	Wheat Bus.	Flour Bbls.	Wheat Bus.	Flour Bbls.
	Figures in Thousands									
Great Britain..	37,480	121	69,375	136	44,676	220	37,287	273	81,572	403
Bolivia.. . . .	425	67	184	39	85	31	149	30	9	32
Brazil .. . . .	32,882	376	29,473	753	27,517	388	10,447	35	25,770	810
Chile. . . . .	703	29	155	40	1,996	196	1,325	33	26	14
Ecuador .. . . .	.....	23	.....	20	.....	12	.....	4	.....	.....
Paraguay .. . .	857	90	568	110	525	123	582	50	509	67
Peru .. . . .	4,874	...	2,910	....	1,344	....	1,303	...	1,850	....
Uruguay .. . . .	54	...	.....	5	2,808	16	80	6	.....	.....
Span. poss.. . .	313	154	420	97	497	98	461	195	450	99
Others.. . . .	64,268	136	73,085	42	64,950	29	74,855	25	132,854	116
Total.. . . .	141,856	996	176,170	1,242	144,398	1,113	126,489	651	243,040	1,541

EXPORTS OF MILL-FEEDS

There is only a limited demand in Argentina for the by-products of the flour-milling industry since prepared feedstuffs are seldom required for live stock here. The aggregate production of bran, shorts, middlings, and similar products amounted to 573,900 tons in 1935 as compared with 561,700 tons in the previous year. Exports of these products amounted to 392,576 tons in 1935, a slight decrease from 406,262 tons shown for 1934, therefore approximately 70 per cent of the output available has to be disposed of abroad.

Total exports of the principal feedstuffs in 1935, with the 1934 figures in parentheses, were as follows in metric tons: bran and shorts, 302,497 tons (301,824 tons); fine middlings, 19,403 tons (22,977 tons); middlings, 69,745 tons (80,799 tons); groats or semola, 29 tons (47 tons); wheat sprouts, 903 tons (615 tons).

The United Kingdom took 75 and 76 per cent respectively of the total exports of mill-feeds for 1934 and 1935. Only bran and shorts and a small quantity of middlings for Belgium from Argentina are sold in export markets other than the United Kingdom. Exports of bran and shorts by countries in 1934 were as follows: Germany, 2,695 tons; Belgium, 37,682 tons; Denmark, 11,203 tons; United States, 13,455 tons; Finland, 1,227 tons; Norway, 3,763 tons; Holland, 2,340 tons; Sweden, 15,253 tons. The United Kingdom, credited with 205,139 tons of bran and shorts in 1934, took 68 per cent of the total, and on the basis of 215,337 tons took 72 per cent of the total quantity exported in 1935.

ECONOMIC CONDITIONS IN BRAZIL, JANUARY TO JUNE

L. S. GLASS, CANADIAN TRADE COMMISSIONER

FOREIGN TRADE

Rio de Janeiro, August 25, 1936.—During the first six months of 1936 the total value of the foreign trade of Brazil increased by \$13,544,000—from \$237,-320,000 in 1935 to \$250,864,000 in 1936. In volume, imports increased by 180,917 tons to a total of 2,148,192 tons, while exports increased by 117,345 tons to 1,467,986 tons. Thus the total trade of Brazil shows a volume increase from 3,317,916 tons to 3,616,178 tons.

Average values per ton of imports increased from \$52 to \$53 in the first half of 1936 as compared with the similar period of 1935, while exports decreased from \$105 per ton to \$93. During 1935 there was a tendency towards a greater acceleration in the growth of imports than in exports. This has continued, and for the first six months of 1936 imports show an increase of \$8,276,000 over the same period in 1935, the respective totals being \$106,565,000 and \$114,841,000. Exports, on the other hand, show an increase of but \$5,268,000—from \$130,-765,000 in 1935 to \$136,023,000 in 1936. Thus, of the increase of \$13,544,000 in

the total trade, over 60 per cent is attributable to imports, which show a percentage increase of 7·7 over 1935, while the export increase is but 4·02 per cent.

Imports of machinery and apparatus, wheat flour and grain, iron and steel goods, motor cars, petrol, fuel oil, and jute show increases over last year. Motor cars account for £89,000 gold and grain £223,000. Codfish and paper both suffered considerable decreases—the former from £158,000 gold to £137,000 and the latter from £160,000 gold to £129,000.

Imports from the United States, Great Britain, France, and Belgium fell off, while those from Germany increased from £1,032,000 gold to £1,563,000. The percentage of goods imported from Germany has risen from 8·6 in 1932 and 15·6 in 1935 to 22·9 in 1936.

#### EXCHANGE AND FOREIGN PAYMENTS

Besides the encouraging growth in Brazil's international trade, the foregoing figures indicate a further diminution in Brazil's favourable balance of trade. In round figures the favourable balance during the years succeeding 1931, for the first six months of each year, has been \$44,700,000, \$26,900,000, \$42,300,000, \$24,100,000, and in 1936 \$21,100,000. In terms of sterling the favourable balance has decreased from £4,923,452 for the first six months of 1935 to £4,276,903 for the same period in 1936.

It may be anticipated that Brazil's total balance of trade at the end of 1936 will be not more than £8,553,000 or a further diminution of approximately £500,000. Foreign debt service and the payments required under agreements for the liquidation of blocked accounts in 1936 will require in the neighbourhood of £14,000,000, which so far as can be seen must be found in the favourable balance of trade, for Brazil has little, if any, invisible trade. A shortage of exchange would necessitate resorting once again to restrictive measures.

Exchange rates, however, continue to show a tendency to strengthen. Prior to February 11, 1935, exchange was only partially free and the average rate during January and February of that year was approximately 15·1 milreis to the dollar. Immediately exchange was made entirely free, the value of the milreis began to drop, and in August attained its lowest average rate of 18·635 milreis to the dollar, with an average rate for the second six months of the year of 18·136 milreis. For the first six months of the present year the average rate has been 17·608. Foreign exchange has been plentiful on the market and the work of liquidating accounts blocked by the decree of February, 1935, is going ahead according to schedule.

There is apparently no reason, therefore, that Canadian exporters should not continue to develop their trade with Brazil. Payments are prompt and no difficulty is presented by government intervention, as Brazil is operating under free exchange. The only requirement is that all documents pertaining to shipments to Brazil must be in perfect order. It is, however, recommended that no long-term dollar credits be as yet established in Brazil. This is not only of advantage to the exporter in protecting him against the possible eventuality of reimposition of exchange control, but it is also to the advantage of Brazilian importers, since with short-term credits they are always in a better position to determine their actual exchange situation at short notice.

#### COFFEE

For the 1935-36 crop year, which ends on June 30, there has been an increase in the exports of coffee from 13,409,000 bags of 60 kilos in 1934-35 to 15,571,000 bags, and an increase in the milreis value of the exportation from 1,955,000 contos to 2,186,000 contos, although the average price per bag decreased from 145·845 milreis for the 1934-35 crop season to 140·400 milreis for the 1935-36 crop. Gold prices show even a greater drop. The total value of exports during the crop season 1934-35 was £18,445,000 gold, which in the past season decreased to £16,968,000. The average price per bag shows an equal falling off from 1s. 8d. gold to 1s. 2d. in 1935-36.

For the first six months of 1936 there has been an increase from the total of 6,888,000 bags exported in 1935 to 7,131,000 bags, with corresponding milreis increase from 938,000 contos to 1,013,000 contos. Gold values have fallen off, while the milreis value per sack has also dropped slightly from 142·752 milreis to 142·048 milreis. The average price per sack in gold sterling has been maintained at the average for the crop year, although 2d. per sack less than the average for the first six months of 1935.

The total deliveries for world consumption during the 1935-36 crop year are reported to have increased by 3,164,000 bags or approximately 14 per cent as compared with the previous season. Of this increase Brazilian coffees accounted for just over 40 per cent, although there is a diminution in the percentage of total world deliveries accruing to Brazil—from 65·5 per cent during the 1934-35 crop season to 62·4 per cent during the immediate past season. Brazilian coffees showed an increase of 8·5 per cent as compared with the 1934-35 season.

### COTTON

Export statistics for cotton are available for only the months of January to May for the whole of Brazil, but during these months there has been a falling off in cotton shipments from a total in 1935 of 54,690 tons valued at 246,169 contos to 47,150 tons valued at 194,496 contos. Gold values have decreased from £2,144,017 to £1,519,839. It is noteworthy, however, that whereas 54,000 tons were shipped to Germany in 1935, only 8,000 tons have been shipped in 1936. The significance of this lies in the fact that the increase in the exports to Great Britain from 10,200 tons to 15,800 tons, to France from 4,000 to 7,000 tons, and to Japan from 300 tons to 5,000 tons means that the actual foreign exchange value for the Brazilian cotton export has increased to that extent, because in 1935 most of the cotton shipped to Germany was sold in compensation marks.

However, by the temporary agreement made with Germany, 62,000 tons a year may be shipped against compensation marks. This is equivalent to the volume shipped in 1935.

The grading of cotton on the São Paulo exchange has exceeded 100,000 tons for the first part of the crop year, which is considered as being from February 28 to February 28. This is practically double last year's figure for the same period. It is not expected, however, that the crop will amount to 180,000 tons, as estimated earlier in the year.

A further encouraging aspect of the São Paulo crop is that it is grading so far 72 per cent of types 4 and 5, whereas last year it was 67 per cent types 5 and 6. Prices are reported to be satisfactory, and regardless of the outcome of the cotton crop of all Brazil, São Paulo, the most important individual producer, anticipates an excellent year.

### FEDERAL BUDGET FOR 1937

The budget for 1937, brought down in the early part of June, anticipates an increase in income of some 275,000 contos, bringing the total estimated revenue to 2,811,806 contos. Expenditure also shows an anticipated increase to 3,079,950 contos or 297,000 contos more than 1936, giving an estimated deficit for 1937 of over 268,000 contos. The budget represents a downward revision of over 307,000 contos as a result of reductions in practically every department of the Government.

An increase of 142,135 contos to 1,069,658 contos in the Ministry of Finance estimate is occasioned largely by the payments which will be required in 1937 to meet the obligations arising from the agreements signed with the United States and Great Britain for the liquidation of blocked accounts.

There has been a further increase in the note circulation in Brazil during the first six months of the year. On December 31, 1935, the total note issue was 3,567,142 contos, whereas by special credits, treasury notes, etc., the circulation on June 30 had risen to 3,647,448 contos or by approximately \$5,000,000.

## TEXTILE INDUSTRY OF COLOMBIA

R. A. CAMERON, ASSISTANT TRADE COMMISSIONER

(One Colombian peso equals U.S.\$0.57)

Panama, August 3, 1936.—A feature of the development of manufacturing in Colombia has been the rapid growth of a domestic textile industry which is capable at the present time of supplying a large share of the Colombian demand for the cheaper textile products.

The establishment of a textile industry in Colombia dates from 1932, when weaving machinery was imported to a value of 445,774 pesos. During 1933 the total value of the machinery imported was almost double the 1932 figure, and for 1934 it was 2,044,033 pesos. Figures for the calendar year 1935 are not available, but it is expected they will exceed those of 1934.

A summary of the information supplied to the Government on the operations of the spinning and weaving industry during 1934 shows that the number of factories totalled 24, of which 13 were engaged in the manufacture of cotton, 8 of wool, and 3 of silk products. Total capitalization was 6,136,020 pesos, and the value of production was 9,149,097 pesos.

### COTTON

With the increasing demand in the domestic market, cotton growing is becoming an important agricultural industry in Colombia, large areas of suitable land being available. Plantations producing a cotton which compares very favourably with the American product are located in the Departments of Becaya, Antioquia, Bolivar, Santander, and Atlantico.

### CROP ESTIMATE AND CONSUMPTION

According to the most recent estimate, this year's cotton crop will amount to approximately 40,000 bales, and the Ministry of Industry expects that, with the application of scientific methods of cultivation, a steady yearly increase in production and an improvement in quality will result. At present practically all of the domestic production is absorbed by the local spinning mills. Although great strides have been made in domestic production and spinning of cotton, the growth of the manufacturing industry has been even more rapid, and it is still necessary to import raw materials, the bulk of which is supplied by the United States.

The thirteen factories manufacturing cotton products in 1934 were capitalized at 4,303,241 pesos, and the value of their output for the year was 6,728,393 pesos.

### WOOL

The combined production of the eight factories comprising the wool group of the textile industry was valued at 984,162 pesos for 1934. Total capitalization was 1,501,549 pesos.

The manufacture in Colombia of woollen goods is also a recent development, dating, as in the case of the cotton industry, from the year 1932. No information is available as to the production of wool in Colombia, but almost 10 per cent of the total raw materials used by the manufacturing industry are produced domestically. During 1934 there were 830,807 wool-bearing sheep and 517,610 wool-bearing goats in Colombia.

### SILK

The three factories manufacturing silk goods in 1934 were capitalized at 331,240 pesos, and their production for the year was valued at 1,436,542 pesos. The raw materials used were all imported. Silk production is of no importance in Colombia as yet, although it has possibilities. Climatic conditions are said to be suitable for the growth of the mulberry bush and the breeding of silkworms.

## TRADE OF MANCHURIA IN 1935

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

## II

## IMPORTS

The following table shows the imports into Manchuria for the calendar years 1935 and 1934, with values in Manchurian yuan, valued at about \$0.30 Canadian currency, for each of the main commodity groups:—

Commodity Group	1935	1934
	Yuan \$	Yuan \$
Textiles and textile products . . . . .	160,489,902	166,407,096
Metals and ores . . . . .	63,785,136	69,360,929
Machinery and tools . . . . .	34,612,607	28,056,386
Vehicles and vessels . . . . .	39,844,471	30,945,763
Miscellaneous metal manufactures . . . . .	32,856,768	25,507,652
Fishery and sea products . . . . .	8,556,841	6,237,951
Animal products and groceries . . . . .	10,728,662	9,846,999
Cereals and flour . . . . .	67,459,363	65,109,165
Fruits, seeds and vegetables . . . . .	11,779,123	9,816,371
Medicinal substances and spices . . . . .	3,617,402	4,699,817
Sugar . . . . .	13,638,599	11,914,422
Beverages . . . . .	7,965,124	6,979,667
Tobacco . . . . .	8,326,559	11,664,499
Chemicals and pharmaceuticals . . . . .	13,175,178	10,179,703
Dyes, paints and varnishes . . . . .	6,744,902	5,608,440
Oils, fats, waxes and soap . . . . .	21,510,250	32,920,813
Books, paper and pulp . . . . .	23,032,369	21,039,678
Hides, leather, etc. . . . .	6,055,925	6,648,649
Timber . . . . .	13,509,063	16,863,469
Wood, straw and coir manufactures . . . . .	7,892,804	7,400,544
Coal, pitch and tar . . . . .	978,684	704,664
China and enamelware, glass . . . . .	4,724,174	4,224,170
Stone, earth and manufactures . . . . .	6,427,341	11,393,267
Sundry . . . . .	36,365,366	28,035,566
Total . . . . .	604,149,359	593,562,248

The general trend of the import trade was towards an increase of capital goods and a reduction in consumers' goods and primary products. Manchurian primary industries during the past four years, aided by Japanese capital and technical experience, have been developed to a noticeable extent and, although this is still very much in its early stages, the effect upon the import trade in such products is evident in the above figures. To carry on this expansion and to lay the foundation for greater future production, the increased purchases of capital, goods such as machinery and tools, and vehicles and vessels, were necessary. As well, a fair portion of this expenditure was concerned with the defence of the country, a considerable outlay having been made in the building of strategic railways and roads.

## TEXTILES

For tabulation purposes the various textile groups have been added together and shown as one total in the above table. In combination they represent more than a fourth of the total imports for the year. The respective figures for each group, with comparative figures for 1934 in parentheses, were as follows: cotton and its manufactures, Y.\$93,111,803 (Y.\$105,477,944); flax, hemp, jute and their manufactures, Y.\$18,913,194 (Y.\$20,462,791); wool and its manufactures, Y.\$18,910,766 (Y.\$17,246,572); and silk and artificial silk and their manufactures, Y.\$29,554,139 (Y.\$23,219,789).

Details of origin are given in the trade figures only for the principal import items, so that it is impossible to discuss in detail more than those so enumerated. In the cotton group white or dyed cotton piece-goods was the largest item and

was valued at Y.\$25,250,604 (Y.\$27,510,607 in 1934), nearly the whole amount having been supplied by Japan. Grey cotton piece-goods totalled Y.\$24,626,491 (Y.\$17,153,992); printed cotton piece-goods, Y.\$7,483,328 (Y.\$10,948,430); miscellaneous cotton piece-goods, Y.\$2,979,484 (Y.\$12,439,547), and all were of similar origin. Raw cotton totalling Y.\$9,406,593 (Y.\$12,283,717) came from British India to the extent of 83 per cent. Cotton yarn of a value of Y.\$7,237,559 (Y.\$12,533,416) originated in Japan to the extent of 68 per cent, China also getting a 32 per cent share of this trade. Sundry cotton manufactures amounting to Y.\$12,157,266 (Y.\$10,554,115) completed the cotton group.

#### FLAX, HEMP, AND JUTE

The outstanding item in the flax, hemp, and jute group was gunny bags, valued at Y.\$14,640,530 (Y.\$16,133,998). Of this amount British India was the source of 72 per cent and Japan of 24 per cent. Another item of interest was raw jute valued at Y.\$2,062,519 (Y.\$2,374,660).

#### WOOL

Only one item in the wool group, woollen piece-goods, is treated in detail as to origin. This amounted to Y.\$11,342,804 (Y.\$9,551,477), and Japan obtained 81 per cent of the total trade in it. Other entries in this group were clothing, Y.\$2,340,851 (Y.\$1,892,608), and hats and caps, Y.\$1,437,675 (Y.\$1,734,245).

#### SILK

Silk piece-goods totalling Y.\$19,709,051 (Y.\$11,110,572) accounted for the greater part of the silk group and were almost wholly credited to Japan. Artificial silk floss and yarn were also noteworthy, amounting to Y.\$8,051,145 (Y.\$10,823,807), of which Japan was the source of 87 per cent and Italy of 12 per cent.

#### METALS AND ORES

In the metals and ores group only two items are shown in detail as to origin, one being the copper group and the other the iron and steel group. These are a summary of many items in each class, the more important of which will be enumerated below. Out of a total value in the iron and steel sub-group of Y.\$51,539,998 (Y.\$58,227,008), Japan supplied 82 per cent and Germany 10 per cent. The main single items were steel rails and steel sleepers, Y.\$14,334,870 (Y.\$13,546,217); bars, Y.\$8,309,186 (Y.\$9,841,079); pipes, tubes, and fittings, Y.\$4,611,685 (Y.\$5,724,996); structural building steel, Y.\$3,982,624 (Y.\$6,334,568); ungalanized sheets and plates, Y.\$3,653,818 (Y.\$2,999,055); and galvanized sheets, Y.\$3,003,149 (Y.\$3,724,588). The copper sub-group totalled Y.\$4,463,883 (Y.\$4,440,333), of which 96 per cent came from Japan. The principal items were copper wire valued at Y.\$2,568,899 (Y.\$2,012,381); ore, Y.\$1,751,272 (Y.\$570,547); and copper n.e.e., Y.\$1,239,334 (Y.\$1,755,698).

#### VEHICLES AND VESSELS

The principal items in the vehicles and vessels class, with their values, were railway and tramway materials, Y.\$12,978,053 (Y.\$8,678,307); locomotives and tenders, Y.\$11,428,941 (Y.\$7,684,460); motor trucks and buses, Y.\$3,047,852 (Y.\$3,029,571); bicycles and parts, Y.\$2,895,379 (Y.\$1,355,815); motor cars, Y.\$2,647,592 (Y.\$3,278,309); and motor car parts and accessories, Y.\$2,645,134 (Y.\$1,864,534). Of the whole group, Japan's share was 83 per cent, that of the United States 10 per cent, and of Korea 5 per cent.

#### MISCELLANEOUS METAL MANUFACTURES

A composite item, electrical appliances, fittings, fixtures and materials, valued at Y.\$15,280,977 (Y.\$11,637,776), made up the greater part of the miscellaneous metal manufactures group. Of this total, 98 per cent came from

Japan. Other single items of interest were telephone and telegraph instruments and materials, excluding radio, Y.\$2,411,418 (Y.\$2,265,225); scientific instruments, Y.\$1,692,129 (Y.\$1,370,852); arms and ammunition, Y.\$1,659,731 (Y.\$1,077,600); and radio sets and parts, Y.\$1,369,773 (Y.\$838,635).

#### FISHERY AND SEA PRODUCTS

The fishery and sea products class has been treated as a whole, and Japan is shown as the source of many small items in the group to the extent of 72 per cent. Korea followed with 21 per cent of this trade. The principal items were fresh fish, Y.\$1,537,163 (Y.\$1,454,429); salt fish (excluding salt herring), Y.\$1,233,970 (Y.\$1,168,848); and bicho-de-mar, Y.\$991,876 (Y.\$872,643).

#### ANIMAL PRODUCTS AND GROCERIES

The animal products and groceries group is also composed of a large number of items of no outstanding value. With the exception of tea, no indication of origin is given. This product, amounting to Y.\$3,136,013 (Y.\$3,023,190), originated in the following ratio: Japan 39 per cent and China 58 per cent. Confectionery amounting to Y.\$1,266,801 (Y.\$1,171,539) was the only other product of note in this class.

#### CEREALS AND FLOUR

Wheat flour and rice combined accounted for almost the whole of the cereals and flour group. The first was valued at Y.\$53,988,584 (Y.\$57,058,521), being split between Japan and Australia to the extent of 60 per cent and 37 per cent respectively, and the second at Y.\$11,567,240 (Y.\$7,476,455). Various countries shared in the rice trade as follows: French Indo-China, 36 per cent; Korea, 24 per cent; British India, 17 per cent; and Japan, 11 per cent.

#### FRUITS, SEEDS, AND VEGETABLES

In the fruits, seeds, and vegetables group Japan secured 71 per cent of the trade in fresh, dried, and preserved fruits, which totalled Y.\$7,852,186 (Y.\$6,152,238). China came next with 16 per cent. Others worthy of mention were fresh, dried, preserved or salted vegetables of a value of Y.\$2,859,278 (Y.\$2,764,184).

#### MEDICINAL SUBSTANCES AND SPICES

There is no item in the medicinal substances and spices group which has been specially treated, the only entries of note being a large miscellaneous item amounting to Y.\$2,391,756 (Y.\$2,239,585); and opium, Y.\$759,860 (Y.\$1,934,089).

#### SUGAR

Granulated sugar accounted for the greater part of the sugar group. This product totalled Y.\$12,973,926 (Y.\$11,564,679), of which 70 per cent came from Japan and 20 per cent from Korea.

#### BEVERAGES

The beverages group was composed chiefly of beer and sake valued respectively at Y.\$3,775,398 (Y.\$3,111,145) and Y.\$2,733,376 (Y.\$2,216,067). Japan was the source of 88 per cent of the entire group.

#### TOBACCO

Cigarettes and leaf tobacco were the main constituents of the tobacco group, these totalling Y.\$1,933,940 (Y.\$2,677,899) and Y.\$6,067,286 (Y.\$8,558,080) respectively. Of the former, China was the source of 38 per cent, Japan of 18 per cent, and Great Britain of 39 per cent; and of the latter, China supplied 53 per cent and the United States 30 per cent.

## CHEMICALS AND PHARMACEUTICALS

A large number of small items compose the chemicals and pharmaceuticals group, of which soda ash was the most important. This totalled Y.\$1,600,522 (Y.\$1,607,886), and was supplied by Japan, Great Britain, and China in the ratio of 62, 29, and 8.5 per cent.

## DYES, PAINTS, AND VARNISHES

The chief items in the dyes, paints, and varnishes class were aniline dyes amounting to Y.\$1,893,906 (Y.\$1,371,358) and liquid or paste artificial indigo, Y.\$1,391,176 (Y.\$1,256,540). Of the whole group, 51 per cent originated in Japan and 26 per cent in Germany.

## OILS, FATS, AND WAXES

There were several items of interest in the oils, fats, and waxes group, notably gasoline and benzine totalling Y.\$5,375,045 (Y.\$9,884,769), supplied by the United States to the extent of 54 per cent, by Dutch India 31 per cent, and by Japan 14 per cent; lubricating oil, Y.\$2,849,052 (Y.\$3,201,969): Japan 56 per cent and the United States 36 per cent; kerosene, Y.\$2,227,900 (Y.\$11,620,857): the United States 73 per cent, Japan 14 per cent, and Dutch India 12 per cent.

## BOOKS, PAPER, AND PULP

In the books, paper, and pulp group the combined paper items were the most important, totalling Y.\$12,959,291 (Y.\$12,139,498). Japan, as usual, was the principal supplier with 82 per cent of the total value. China followed with a 10 per cent share. Other items of interest were paperware, Y.\$5,862,782 (Y.\$5,344,069); and books, Y.\$2,298,456 (Y.\$2,071,856).

## HIDES AND LEATHER

Skins and furs was the principal item in the hides and leather class. This totalled Y.\$1,421,425 (Y.\$1,814,716), of which the United States was the origin of 59 per cent.

## TIMBER, WOOD STRAW, AND COIR

The timber and the wood straw and coir groups have been combined in the detailed figures, and of the total of these timber and wood accounted for a value of Y.\$14,310,189 (Y.\$17,499,097). Of this amount, Japan's share was 46 per cent, that of Korea 25 per cent, and of the United States 23 per cent. Canada's share amounted to Y.\$102,095 only. Other items of interest were woodenware, bambooware, rattan, and strawware of a value of Y.\$2,194,378 (Y.\$1,683,579), and mats for packing purposes, Y.\$1,189,101 (Y.\$1,318,611).

## CHINA, ENAMEL, AND GLASSWARE

The only important item in the china, enamel, and glassware group was chinaware totalling Y.\$2,107,477 (Y.\$2,014,663) in value.

## STONES AND EARTH

Similarly in the stone, earth, etc., group, cement amounting to Y.\$3,543,465 (Y.\$7,900,636) was the only one worthy of mention.

## SUNDRIES

In the sundry group, rubber boots and shoes was the item of chief interest. This was valued at Y.\$8,437,757 (Y.\$5,530,195), and Japan obtained 88 per cent of the total trade, followed by Korea with 11 per cent. Other noteworthy

items were toys and games, Y.\$1,130,050 (Y.\$908,884); musical instruments, Y.\$1,286,914 (Y.\$1,121,603); office requisites, Y.\$1,311,440 (Y.\$1,049,188); and perfumery and cosmetics, Y.\$2,344,828 (Y.\$1,994,522).

### CANADIAN-MANCHURIAN TRADE

In the table accompanying Part I of this report, which shows the imports and exports by countries, Canada is not mentioned specifically, being included in the group "other countries." It is therefore impossible to quote the values concerned in this reciprocal trade. Nor can any close estimate be made of either total from the individual items, since Canada is mentioned either as source or destination in only one instance in the imports and not at all in the exports, being also included where relevant as one of the "other countries." However, the trade figures for the Kwantung Leased Territory for the year 1935 give an indication of the approximate trade values, since all trade between Canada and Manchuria passes through the port of Dairen.

The principal item exported to Canada was peanuts, which were valued at Y.\$1,296,853 and accounted for a large portion of the total exports. This was followed by bean cake amounting to Y.\$108,782; coal, Y.\$3,540, probably ships' stores; soya beans, Y.\$681; and rice, Y.\$493.

Of the articles mentioned as imports from Canada, timber valued at Y.\$302,-197 was the principal one. Wheat flour followed with a value of Y.\$9,504, and this was succeeded by building materials of metal totalling Y.\$4,010. However, in addition to these enumerated articles, it is known that small sales were made during the year in the following commodities: whisky, cheese, rolled oats, canned goods and grocers' sundries, biscuits, rubber goods, motor car batteries, lithographed pictures and calendar backs, razor blades, cocoa and confectionery, silver fox and other furs, hockey skates and equipment, and some other articles of small value.

## IMPORT TRADE OF JAPAN IN 1935

P. V. McLANE, ASSISTANT TRADE COMMISSIONER

(For purposes of comparison, the average rate of the yen in 1934 and in 1935 was 29 cents Canadian funds)

Kobe, August 21, 1936.—Japan's total imports, according to the annual returns of the foreign trade of Japan, issued by the Department of Finance, increased from a value of 2,282,601,600 yen in 1934 to 2,427,236,116 yen for 1935. Imports from Canada, which were valued at 54,093,620 yen in 1934, decreased to 52,531,359 yen.

Following is a summary of the import trade of Japan in 1935, with particular reference to Canadian participation, according to the various groups of items as they appear in the trade returns.

### I. PLANTS AND ANIMALS (LIVING)

A government policy encouraging the importation of animals for improvement of stock has long been in force, but during the last few years trade has been limited. In 1935 the total value of imports under this heading was 2,128,345 yen as against 1,142,570 yen in 1934, this increase being due principally to an item of over 500,000 yen for sheep. Canada's contribution consisted of a few fur-bearing animals valued at 11,710 yen, as compared with 69,192 yen in 1934.

## II. GRAINS, FLOURS, STARCHES AND SEEDS

While imports under this heading amounted to 174,742,212 yen in 1935 and 125,555,090 yen in 1934, this does not mean that Japan is dependent to that extent on imported foodstuffs, as the chief items are soya beans, oil-yielding seeds and wheat, which appear again as exports of wheat flour and oils.

### WHEAT

In so far as actual quantity is concerned, Japan is self-sufficient in wheat, having produced some 47,915,515 bushels in 1935. Apart from this approximately 16,318,060 bushels (43,199,110 yen) were imported for blending and for manufacture into export flour. Australia continued to be the largest supplier, with 12,227,775 bushels (30,935,530 yen), due to lower prices and to the suitability of Australian "f.a.q." wheat for direct manufacture into export flour. In spite of being excluded from the market for half the year, Canada's share of the trade for 1935 amounted to 1,939,929 bushels (6,257,769 yen) as against 2,916,208 bushels (8,119,710 yen) for the previous year. Argentine shipments were larger (2,574,292 yen as against 626,499 yen in 1934) and United States shipments much smaller (213,765 yen as against 9,869,363 yen). World conditions of supply augur well for increased imports from Canada during 1936.

### WHEAT FLOUR

The trade returns give the value of imports of flour as 326,463 yen as against 146,010 yen in 1934. This increase is apparent only, as a considerable part of the imports in 1934 were used in bond and did not appear in the trade returns. They are shown this year because of a change in the method of compiling the returns. Canada shipped to a value of 226,414 yen in 1935 and was by far the largest individual supplier. Australia's shipments were valued at 57,835 yen and those from the United States at 41,290 yen.

## III. BEVERAGES, COMESTIBLES, AND TOBACCO

Imports under this heading were valued at 59,039,947 yen as against 71,865,555 yen in 1934. Some of these items are misplaced, such as salt (14,540,084 yen), which is for use in the chemical industry and not as a comestible. Canada's share in this trade was valued at 1,863,720 yen as compared with 1,107,121 yen in 1934.

### VEGETABLES, FRUITS AND NUTS PRESERVED WITH SUGAR, ETC.

Imports of this item are practically stationary, being valued at 27,802 yen as against 26,901 yen in 1934. This is a luxury trade and confined to foreigners living in Japan. Canada's share is negligible.

### CONFECTIONERIES AND JAMS

This is another relatively minor item in Japan's trade, having a total value of 61,452 yen in 1935. Canada shipped small amounts of chocolates, maple syrup, jams and jellies to the value of 1,735 yen.

### FRESH BEEF

Imports of fresh beef were slightly smaller, being valued at 6,114,534 yen as against 6,876,785 yen for 1934. China continues to be the chief source of supply. Imports from Canada are of a seasonal nature, being influenced by available supplies and competitive prices. Trade in 1935 was valued at 171,997 yen.

## MEATS, POULTRY AND GAME IN TIN, BOTTLE, JAR

There is only a small market for these products in Japan, imports in 1935 being valued at 821,155 yen. Argentine corned beef was the largest single item. Canada supplied increasing quantities of canned sausage, hams and bacon to a value of 39,327 yen as against 17,305 yen in 1934.

## SALTED FISH

Imports show a heavy decrease from 11,480,355 yen in 1934 to 1,627,414 yen in 1935, chiefly as a result of the practical cessation of supplies from Asiatic Russia. Canada became chief supplier with shipments valued at 1,304,858 yen (692,102 yen in 1934), principally of dry salt herring. This trade was very satisfactory, due to the marketing control exercised by the British Columbia Salt Fish Board. A quantity of salt salmon for the New Year's trade is also included in the above figure.

## OTHER FISH AND SHELL FISH

Imports under this heading also show a heavy decrease. With Russia practically out of the market, the United States became the chief supplier. Canada is credited with 226,168 yen, principally frozen salmon.

## BUTTER

Imports of butter continue to decrease, with the development of the domestic dairying industry and amounted to only 15,335 yen as against 36,307 yen in 1934. Canada's share was valued at 1,888 yen as against 6,485 yen in the preceding year.

## CONDENSED MILK

Canada is credited with imports to the value of 2,796 yen in condensed milk (other). Total imports of condensed milk (dried and other) were valued at 515,767 yen, continuing the decline which has been evident following the development of the milk canning industry in Japan.

## WHISKY IN BOTTLE

A slight increase is evident in this trade, imports being valued at 580,119 yen in 1935 as against 497,248 yen in the previous year. Great Britain continues to be the largest supplier. Canada improved her position from 15,947 yen in 1934 to 18,468 yen in 1935. Rye whisky predominated, with small amounts of Bourbon whisky.

## ALL OTHER BEVERAGES AND COMESTIBLES

Imports were valued at 1,459,806 yen as compared with 1,191,526 yen in 1934. Canada's share increased to 90,998 yen as against 76,348 yen. The principal items included canned beans, canned tomatoes, tomato juice, ketchup, oat meal, rolled oats, macaroni, pickles, cheese, and rye flour.

## OTHER TOBACCOS

Canadian leaf tobacco is not imported into Japan. Manufactured tobaccos included under the above heading were imported to the value of 894,059 yen as compared with 1,023,577 yen in 1934, imports from Canada being valued at 4,627 yen.

## IV. SKINS, HAIRS, BONES, TEETH, SHELLS AND MANUFACTURES THEREOF

Imports under the above group expanded from a value of 36,902,073 yen in 1934 to 42,247,063 yen. Hides and skins, leather of sheep and goats, bristles, bones of animals, and shells are the largest items. Canada participates in the trade in hides and skins, furs, and leather only.

### FURS

Imports of furs were valued at 803,204 yen, a decrease as compared with 1,084,719 yen in 1934. China supplied the bulk of these imports, mainly furs not procurable in Canada. The Dominion was credited with 4,758 yen worth of fox furs, and other skins. Japanese importers buy at the fur auctions in Montreal, New York, and London, and additional Canadian furs are bought at the two latter cities for export to Japan.

### HIDES AND SKINS (COWS AND BUFFALOES)

Imports are increasing yearly, being valued at 18,069,638 yen as compared to 14,344,654 yen in 1934. Scarcity of domestic supplies and an expanding industry should result in a further expansion. The United States is the largest individual supplier, closely followed by China. Canada's share of the market was valued at 103,770 yen, a considerable decrease from the previous year, when the value was 208,787 yen. As has been the case in previous years, however, quantities of Canadian hides have found their way to Japan through the United States.

### LEATHER OF COWS, BUFFALOES, HORSES, SHEEP, AND GOATS (LACQUERED)

Formerly leather was an important item in Japan's import trade. In recent years, however, domestic production has improved in quantity and quality to such an extent that only specialties and high-grade leather are imported. Canada shares in the above item only, being credited with 5,330 yen out of a total of 41,997 yen. Price is the main drawback to shipments of other types of Canadian leather.

### V. OILS, FATS, WAXES, AND MANUFACTURES THEREOF

This is one of the larger groups of imports, totalling 166,683,706 yen in 1935 and 136,634,188 yen in 1934 and made up principally of petroleum and mineral oils, Japan being far from self-sufficient in these products. Quantities of vegetables and mineral oils are also included but their total is relatively small. Canada's share of this business amounted to 8,325 yen for beef tallow in 1934 but there were no shipments in 1935.

### VI. DRUGS, MEDICINES, COMPOUNDS OR PREPARATIONS THEREOF AND EXPLOSIVES

Imports were valued at 157,314,423 yen as against 144,293,432 yen in 1934. Crude rubber was the largest single item, various chemicals making up the larger part of the balance. Canada's share of the market was limited, consisting of nickel sulphate (913 yen); chemical products derived from coal tar distillates (26,008 yen); tooth powder and other prepared perfumes (216 yen); and other drugs, chemicals, and medicines (11,121 yen). The last-mentioned consisted mainly of senega root.

### VII. DYES, PIGMENTS, COATINGS AND FILLING MATTERS

Imports were valued at 20,612,553 yen as compared with 18,567,833 yen in 1934. Canada shipped cobalt oxide valued at 40,407 yen. This was a considerable decrease from the previous year's figures, when imports were valued at 194,462 yen, due to reallocation of world markets for this product.

### VIII. YARNS, THREADS, TWINES, CORDAGES AND MATERIALS THEREOF, AND MANUFACTURES OF TISSUES AND CLOTHING

This group comprises the most valuable of Japan's imports, consisting of the raw material for the cotton and woollen industry. Imports were valued at 968,134,415 yen, ginned cotton being valued at 713,682,406 yen and wool at 191,167,650 yen. Imports of tissues and manufactures are very limited. Practically the whole of Canada's percentage here is confined to sheep's wool valued at 13,793 yen (no returns for 1934) and all other tissues (rags), 4,624 yen.

### IX. PULP AND PAPER PRODUCTS

Under this heading Canada has an important share of the market. The total imports were valued at 75,384,482 yen as compared with 61,879,024 yen, the Dominion contributing 13,353,400 yen and 13,270,245 yen respectively, made up of pulp for paper making, pulp for artificial silk, newsprint paper, writing paper, packing paper, wallpaper, imitation Japanese paper, tissue paper, and caligraphies and pictures. Pulp imports have been reclassified, and pulp for artificial silk has been given a separate entry. Combined imports were valued at 55,101,181 yen as against 44,255,752 yen in 1934.

#### PULP FOR PAPER MAKING

Imports in 1935 were valued at 21,171,251 yen. The United States was the largest single supplier, being credited with 8,178,378 yen; Sweden was next with 6,699,387 yen, and Canada third with 4,112,609 yen.

#### PULP FOR ARTIFICIAL SILK

Imports were valued at 33,929,930 yen for 1935, exceeding in value the imports of pulp for paper making. Again the United States was the largest supplier (14,633,662 yen), followed closely by Norway (13,146,257 yen). Canada was credited with 1,878,023 yen. The Dominion has more profitable markets elsewhere, with the result that larger supplies are not available for Japan.

#### NEWSPRINT PAPER

This item is included under the heading "printing paper (other, weighing not more than 58 grams per square metre)," imports of which increased in value to 7,442,552 yen as compared with 4,786,880 yen in 1934. Canada was the principal supplier and secured the bulk of the increase, being credited with 6,843,554 yen as against 4,495,089 yen in 1934.

#### WRITING PAPER

Japan increased her domestic production of foreign-style writing paper, and imports were valued at 429,089 yen in 1935, a decrease from 465,224 yen as compared with the previous year. Great Britain supplied to the value of 215,772 yen, thus securing the largest share of the market. Canada's share was limited to 8,772 yen, a decrease from the previous year's total of 11,018 yen.

#### PACKING PAPER AND MATCH PAPER

Imports decreased from 2,592,002 yen in 1934 to 1,665,077 yen. Sweden took first place with 1,080,863 yen, and Canada was credited with 447,689 yen, a considerable fall from 1,375,857 yen for the previous year, due to increased tariff in force for the second half of 1935. This trade should again become normal during 1936.

## WALLPAPER

This is a declining trade, imports being valued at 53,915 yen as against 87,402 yen for 1934. Increasing domestic production is responsible. Imports from Switzerland were valued at 24,919 yen; from Germany at 14,548 yen; Great Britain, 7,625 yen; United States, 3,965 yen; and Canada, 2,812 yen.

## IMITATION JAPANESE PAPER AND TISSUE PAPER

Imports amounted to 518,792 yen, an increase as compared with 306,297 yen in 1934. Sweden, credited with 233,459 yen, and Germany with 188,103 yen, secured the bulk of this business. Canada shared in this trade for the first time in 1935 with a total of 31,093 yen.

## CALIGRAPHIES AND PICTURES

Imports showed a heavy increase from 335,803 yen in 1934 to 1,021,848 yen for last year. France's contribution amounted to 985,856 yen. Canada had a very small part of the market with 916 yen in 1935 and 711 yen in 1934.

## X. MINERALS AND MANUFACTURES THEREOF

Imports under this group were valued at 90,369,016 yen as compared with 79,851,152 yen in 1934. Canada's contribution was valued at 1,980,482 yen and 1,378,710 yen respectively. The Dominion had no share in the largest items under this heading (coal and phosphate), but was a supplier of asbestos.

## ASBESTOS

Imports of asbestos were valued at 4,914,416 yen, a slight increase as compared with 4,607,522 yen in 1934. In the trade returns Canada is credited with only 1,976,598 yen (1,378,492 yen in 1934), whereas a considerable portion of the imports valued at 943,226 yen which are credited to the United States is of Canadian origin. Russian and African asbestos is becoming an increasing factor in the market each year, imports from Russia being valued at 752,323 yen as compared with 1,025,297 yen in 1934, and those from Africa at 891,151 yen as against 980,934 yen.

## XI. ORES AND METALS

Imports under this heading continue to expand and constitute another of the larger groups in the Japanese trade returns. Totals were 383,994,052 yen for 1935 and 307,309,733 yen for 1934. Some of the larger items were: iron ore, 34,546,519 yen; pig iron, 41,179,962 yen; tinned iron and steel sheets, 16,483,326 yen; iron (waste and old), 84,231,394 yen; aluminium (ingots, slabs, and grains), 14,323,219 yen; copper (ingots and slabs), 36,444,303 yen; lead (ingots and slabs), 20,292,047 yen; tin (ingots and slabs), 15,581,238 yen; zinc, 8,502,582 yen; and nickel, 10,968,020 yen. Canada was credited with imports to the value of 19,175,414 yen in 1935 and 17,668,619 yen in 1934, made up of iron ores, zinc ores, iron rails, iron (waste and old), aluminium, copper (other), lead, zinc, zinc (other), nickel, nickel (other), brass and bronze (waste and old).

## IRON ORES

Imports were valued at 34,546,519 yen, an increase over the previous year's total of 19,420,762 yen. British Malaya (14,970,758 yen in 1935), China (10,915,609 yen), and Australia (5,218,321 yen) were the chief suppliers. Canada was credited with 78,014 yen, this being a new item.

## ZINC ORES

An increase is evident in this item—1,594,031 yen as against 689,402 yen in 1934. Chief suppliers were China, 780,070 yen in 1935; and Mexico, 597,182 yen. Canada was next in importance, being credited with 110,755 yen, a decrease as compared with 256,032 yen for the previous year.

## IRON RAILS

Imports increased from 416,525 yen to 1,153,787 yen, the United States being the chief supplier with 967,990 yen. Canada's share was 5,144 yen as against 9,675 yen in 1934.

## IRON (WASTE AND OLD)

This trade continued to expand, amounting to 84,231,394 yen as compared with 65,730,218 yen in 1934. The United States dominated the market with 65,182,747 yen. Practically every other trading country, however, contributed to the imports. Canada's share amounted to 840,983 yen, a decrease from the total of 1,138,718 yen for the previous year.

## ALUMINIUM (INGOTS AND SLABS)

Due to the prospects of increased duty being levied on aluminium, this trade was most erratic during the past year with imports increasing to 14,323,219 yen as compared with 7,431,016 yen in 1934. These imports were cleared through customs at the current duty, so there are considerable excess stocks now on hand. Canada, with imports valued at 6,029,804 yen, was the largest single source of supply. Other large suppliers were Norway, 3,005,279 yen; Switzerland, 2,565,337 yen; and Italy, 1,002,556 yen.

## ALUMINIUM (OTHER)

This is principally scrap and was valued at 4,039,098 yen as compared with 5,145,352 yen in 1934. The United States (2,046,131 yen) and British India (1,161,800 yen) were the principal suppliers. Canada's share amounted to 147,218 yen, a large increase over the imports of 23,242 yen in 1934.

## COPPER (OTHER)

This item consists principally of scrap, imports of which were valued at 1,514,959 yen, showing a decrease from the total of 2,218,008 yen in 1934. Chief suppliers were the United States (547,353 yen) and Manchukuo (549,273 yen). Imports from Canada increased to 14,500 yen from 7,434 yen in 1934.

## LEAD (INGOTS AND SLABS)

Imports were valued at 20,292,047 yen, an increase over the total of 17,903,409 yen for the previous year. Supplies from Canada were valued at 6,928,931 yen, as compared with 7,405,503 yen in 1934, the Dominion being the largest single supplier. Other principal suppliers were the United States (4,815,423 yen), British India (4,634,592 yen), and Mexico (3,425,696 yen).

## ZINC (INGOTS, SLABS AND GRAINS)

This item showed a slight increase to 8,502,582 yen as compared with 7,227,645 yen in 1934. Canada's share decreased to 2,813,555 yen from 3,419,811 yen for the previous year, but the Dominion was still the leading supplier. The other chief source of supply was the United States with 150,393 yen. Canada's share of the trade last year amounted to 7,546 yen.

## BRASS AND BRONZE (WASTE OR OLD)

Imports of this item are fairly substantial, being valued at 2,249,608 yen in 1935 and 2,540,516 yen in 1934. Imports from the United States were valued at 1,648,577 yen. Canada was credited with imports valued at 12,245 yen in 1935 as against nil in the previous year.

## METAL MANUFACTURES

Imports were valued at 10,516,200 yen as compared with 8,706,009 yen in 1934. Canada is credited with 7,305 yen for iron bolts, iron nuts, and iron washers; 694 yen in mechanics' tools, agricultural implements and parts thereof; and 6,115 yen in needles and pins. A few other non-specified items bring Canada's total under the group to 15,091 yen.

## XII. CLOCKS, WATCHES, SCIENTIFIC INSTRUMENTS, FIRE ARMS, VESSELS, VEHICLES AND MACHINERY

Imports under this heading were valued at 158,984,361 yen, as compared with 143,590,180 yen for 1934. Included in these totals are the greater part of Japan's imports of fully manufactured goods. Canada is finding competition difficult, and considerable ground was lost during 1935. Imports from the Dominion totalled 172,823 yen as against 417,559 yen for 1934. The principal items for 1935 according to value were as follows: automobiles, 37,151 yen; parts of automobiles, 948 yen; motor cycles, 3,771 yen; blowing machines, 400 yen; endless felts for paper-making machines, 92,878 yen; all other parts of machinery (spark plugs), 27,790 yen.

## XIII. MISCELLANEOUS ARTICLES, INCLUDING PARCEL POSTS AND TRAVELLING EFFECTS

These imports were valued at 148,434,251 yen as compared with 152,191,302 yen in 1934. Canada shared in this trade to the extent of 9,224,849 yen and 11,432,986 yen respectively, made up of wood products, fodder, and manufactures of India rubber or gutta percha (unvulcanized).

## WOOD PRODUCTS

The main items in which Canada is interested are cedar, pine, fir, hemlock, and spruce, total imports of which totalled 36,764,061 yen as compared with 30,126,780 yen in 1934. Canada's share was valued at 8,258,295 yen, a decrease from 9,384,901 yen for the previous year. According to the trade returns this business was classified as follows:—

*Other Cedar, Pine, Fir, Hemlock, and Spruce (not exceeding 60 mm. in Thickness).*—Imports were valued at 202,005 yen as against 249,472 yen in 1934. The United States supplied to the value of 112,399 yen and Canada 89,606 yen, principally spruce.

*Other Cedar, Pine, Fir, Hemlock, and Spruce (not exceeding 200 mm. in Thickness).*—This item covers small squares (4 to 5½ inches), and imports were valued at 1,731,331 yen as compared with 1,869,319 yen in 1934. The United States was the largest supplier with 1,501,591 yen (1,691,085 yen in 1934) and Canada was second with 229,623 yen (178,000 yen). Canadian supplies were mainly Douglas fir squares.

*Other Cedar, Pine, Fir, Hemlock, and Spruce (exceeding 200 mm. in Thickness).*—These imports, which are mainly large squares, were valued at 14,600,390 yen as against 12,603,901 yen in 1934. The United States was again the chief supplier with 11,000,632 yen (7,950,181 yen in 1934), Canada being credited with practically all the remainder, 3,583,793 yen (4,652,009 yen). Canada's supplies under this heading also were almost wholly Douglas fir squares.

*Other Cedar, Pine, Fir, Hemlock, and Spruce (Logs and Cants).*—Imports were valued at 20,230,335 yen and 15,404,088 yen in 1935 and 1934 respectively. Supplies from the United States were valued at 14,434,583 yen (10,264,786 yen in 1934) and from Canada 4,355,273 yen (4,505,525 yen). Douglas fir logs

predominated in the imports from Canada. There were some imports of cedar logs but they are decreasing principally because Canadian producers do not cater to the special requirements of this market. There were small amounts also of hemlock, pine, and spruce.

#### MANUFACTURES OF INDIA RUBBER OR GUTTA PERCHA (UNVULCANIZED)

Imports were valued at 272,820 yen, of which Canada's share was 2,672 yen, mainly reclaimed rubber.

#### FODDER

Imports of fodder totalled 20,743,714 yen as against 31,074,386 yen in 1934. Canada supplied feed wheat to the value of 878,508 yen, a decrease from the previous year's total of 1,132,961 yen.

### RESUMPTION OF TRADE RELATIONS WITH SOVIET RUSSIA

An Order in Council (P.C. 2354) was passed on September 10, 1936, cancelling the Orders in Council of February 27, 1931, and December 10, 1931, relating to the prohibition of the importation into Canada of certain goods from the Union of Soviet Socialist Republics.

A telegraphic communication has been received by the Honourable W. D. Euler, Minister of Trade and Commerce, from Mr. S. K. Sudjin, Acting People's Commissar for Foreign Trade of the Union of Soviet Socialist Republics, to the effect that he will cancel his Order of April 20, 1931, "prohibiting all importing organizations and trade representatives of the Union of Soviet Socialist Republics to make any purchases of goods of Canadian origin as well as the chartering of vessels sailing under the Canadian flag."

It is expected that with the restoration of normal commercial relations between Canada and the Union of Soviet Socialist Republics that country will offer a market for Canadian dairy cows, pedigreed live stock and cattle for restocking Russian farms, horses, seeds, metals, machinery and machine tools, and other commodities.

Pending other arrangements for the purchase of Canadian products, firms desirous of selling goods to the Union of Soviet Socialist Republics should submit offers to the Amtorg Trading Corporation, 261 Fifth Avenue, New York City, who are the official purchasing agents for the North American Continent of Soviet Government trading organizations.

### TARIFF CHANGES AND CUSTOMS REGULATIONS

#### United Kingdom Tariff Changes

Under the Additional Import Duties (No. 22) Order, 1936, of the United Kingdom the scope of the "lace duties" is altered, effective August 14, so as to exclude hair nets made from human hair. The effect of the change is to reduce the duty on such hair nets from 30 per cent to 20 per cent ad valorem.

Under the Additional Import Duties (No. 23) Order, wool felt hats and hat shapes which, while they are not velours, have a slight pile, cease to be subject to an alternative specific rate of 15s. per dozen, but remain dutiable at 30 per cent ad valorem. The order came into force August 25.

Additional Import Duties (No. 24) Order, effective August 28, increases the rate on endless band knives of a width exceeding 2 inches but not exceeding  $4\frac{1}{2}$  inches, from 20 per cent ad valorem to 7d. for each foot or part of a foot of the length. The report of the Import Duties Advisory Committee recommend-

ing the change states that these knives are made of special steel in the form of an endless band, normally varying in length from 24 to 34 feet, and are used principally by tanners and curriers for splitting hides and skins.

Hair nets, hats and hat shapes, and endless band knives which are Canadian products within the meaning of the Imperial preference regulations are exempt from the foregoing duties under the terms of the Canada-United Kingdom Trade Agreement of 1932.

If the hats or hat shapes contain silk or artificial silk, the silk duties, which are a separate enactment from the Import Duties Act, would be involved.

### Australian Tariff Decisions

Recent decisions of the Australian Department of Customs as to the classification and rates of duty on goods regarding which question had been raised include the following:—

Wire-stitching machines capable of stitching books, pamphlets, paper pads, and the like, of thicknesses greater than  $\frac{5}{16}$  inch, or cardboard boxes, fibreboard or corrugated board containers, baskets, and the like, of thicknesses greater than  $\frac{3}{4}$  inch, are admissible as manufactures for use in the development of an Australian industry, free of duty under both the British preferential and general tariffs. Gauges, being hand tools of trade (other than tire pressure gauges) when not made wholly of wood, are admissible free of duty under the British preferential tariff, and 15 per cent ad valorem under the general tariff. Tire pressure gauges, being hand tools, are rated at 35 per cent and 55 per cent ad valorem under the respective tariffs. Shaving soap sticks screwed into fancy boxes are dutiable as toilet soap at 4½d. the pound under the British preferential tariff and 8½d. the pound under the general tariff, with alternative rates of 15 per cent and 40 per cent ad valorem respectively if they return a higher duty. Fancy boxes with threaded bases for holding the soap and refills are rated at 35 per cent and 55 per cent ad valorem under respective tariffs. Laminated, unshatterable, safety glass, imported with unassembled unplated windscreen parts, for use in the manufacture of windscreens for motor cars, is added to the list of materials for use in manufacturing in Australia and is admissible free of duty under the British preferential tariff and at 15 per cent ad valorem under the general tariff.

Canadian products under the items applicable to the above articles are accorded the British preferential rates. The general tariff applies to products of all countries outside the British Empire.

### Marking Earthenware for Australia

Referring to the notice which was published in last week's issue of the *Commercial Intelligence Journal* (September 12), page 536, advice has been received amplifying the directions already given regarding the marking required on sanitary earthenware imported into Australia. The prescribed marking need not necessarily be applied *inside* a lavatory basin or sanitary pan. On lavatory basins the marking may be placed in a reasonably prominent position underneath the basin; on sanitary pans, it may be on the front or on either side; on urinal stalls, it may be on the front of the article; on cisterns, on the front of the article or in any other position in which the marking will be readily discernible when the article is fixed in position. The regulation requiring the marking of "sanitary and lavatory articles of earthenware" covers articles of fireclay or vitreous china.

### Trinidad Tariff on Potatoes

With reference to the notice in *Commercial Intelligence Journal* No. 1700 (August 29, 1936), page 456, announcing a temporary reduction of the general tariff on potatoes, a Trinidad ordinance, effective October 1, 1936, restores the general tariff rate to 90 cents per 100 pounds. The preferential rate is 15 cents per 100 pounds.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPTEMBER 14

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the weeks ending September 14 and September 8, 1936, with the official bank rate.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 8	Nominal Quotations in Montreal Week ending Sept. 14	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1884	\$ .1884	3½
Belgium . . . . .	Belga	.1001	.1690	.1690	2
Bulgaria . . . . .	Lev	.0072	.0130	.0130	6
Czechoslovakia . . . . .	Krone	.0296	.0413	.0413	3
Denmark . . . . .	Krone	.2680	.2253	.2260	3½
Finland . . . . .	Markka	.0252	.0222	.0223	4
France . . . . .	Franc	.0392	.0652	.0658	3
Germany . . . . .	Reichsmark	.2382	.4022	.4022	4
Great Britain . . . . .	Pound	4.8666	5.0488	5.0637	2
Greece . . . . .	Drachma	.0130	.0094	.0094	7
Holland . . . . .	Guilder	.4020	.6775	.6787	3
*Hungary . . . . .	Pengo	.1749	.2950	.2950	4
Italy . . . . .	Lira	.0526	.0786	.0786	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0229	.0229	5
Norway . . . . .	Krone	.2680	.2536	.2544	3½
Poland . . . . .	Zloty	.1122	.1883	.1882	5
Portugal . . . . .	Escudo	.0442	.0457	.0458	4½
Roumania . . . . .	Leu	.0060	.0073	.0073	4½
Spain . . . . .	Peseta	.1930	1.1365 Nom.	1.1365 Nom.	5
Sweden . . . . .	Krona	.2680	.2602	.2610	2½
Switzerland . . . . .	Franc	.1930	.3257	.3259	2
United States . . . . .	Dollar	1.0000	1.0000	.9996	1½
Mexico . . . . .	Peso	.4985	.2775	.2775	4-5
Cuba . . . . .	Peso	1.0000	.9990	.9990	—
Guadeloupe . . . . .	Franc	.0392	.0652	.0658	—
Jamaica . . . . .	Pound	4.8666	5.0588	5.0737	—
Martinique . . . . .	Franc	.0392	.0652	.0658	—
Other British West Indies	Dollar	1.0138	1.0518	1.0546	—
Argentina . . . . .	Peso (Paper)	.4245	.3361	.3375	3½
		Unofficial	.2825	.2845	—
Brazil . . . . .	Milreis (Paper)	.1196	.0863	.0863	—
		Unofficial	.0587	.0592	—
British Guiana . . . . .	Dollar	1.0138	1.0518	1.0546	—
Chile . . . . .	Peso	.1217	.0512	.0517	4½
		Unofficial	.0412	.0417	—
Colombia . . . . .	Peso	.9733	.5690	.5690	4
Peru . . . . .	Sol	.2800	.2500	.2500	6
Venezuela . . . . .	Bolivar	.1930	.2500	.2500	—
Uruguay . . . . .	Peso	1.0342	.7950	.7968	—
South Africa . . . . .	Pound	4.8666	5.0426	5.0575	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1600	5.1900	—
China (Shanghai) . . . . .	Dollar	.....	.3008	.3006	—
Hongkong . . . . .	Dollar	.....	.3117	.3116	—
India . . . . .	Rupee	.3650	.3810	.3823	3
Japan . . . . .	Yen	.4985	.2953	.2959	3.29
Java . . . . .	Guilder	.4020	.6808	.6820	4
Siam . . . . .	Baht (Tical)	.4424	.4620	.4639	—
Straits Settlements . . . . .	Dollar	.5678	.5918	.5937	—
Australia . . . . .	Pound	4.8666	4.0391	4.0512	—
New Zealand . . . . .	Pound	4.8666	4.0717	4.0837	2½

Unofficial: .1977

Exchange restrictions are still in force in many countries and exporters, when in doubt as to the effect of such restrictions on their commitments—especially in respect to countries for which more than one rate of exchange is quoted—are invited to communicate with the Commercial Intelligence Service for information.

The Dominion Bureau of Statistics has supplied the following note:—

The French franc turned weaker on September 8 and 9 when the possibility of a rift in the French Cabinet caused nervous capital to seek refuge in London and New York. Sterling advanced sharply, and the flow of gold to New York reached \$12,540,000 on September 11, the largest daily total since early May. French banking authorities were reported to be of the opinion that pressure would be exerted to have short positions covered, thereby relieving the strain upon the franc. Montreal rates on sterling mounted from \$5.0362 to \$5.05812 between September 5 and 12, while United States funds dropped from \$1.000 to \$0.9998. The French franc rose from 6.5825 cents to 6.5843 cents following heavy shipments of gold abroad.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Chatham, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Stratford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Woodstock, Ont.	Vancouver, B.C.
Toronto, Ont.	St. Mary's, Ont.	New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Belleville, Ont.	Hamilton, Ont.
Kingston, Ont.	Peterborough, Ont.	Victoria, B.C.
Oshawa, Ont.	London, Ont.	Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Leather Gloves.....	627	Deventer, Holland.....	Agency.
Chrome Tanned Fawn Splits....	628	Shanghai, China.....	Purchase.
Technical Rubber Articles.....	629	Amsterdam, Holland.....	Agency.
Automobile Accessories.....	630	Amsterdam, Holland.....	Agency.
Beech Wood Tar (Creosote Crude)	631	Osaka, Japan.....	Purchase.
Inorganic Chemicals for Industrial Use.	632	Havana, Cuba.....	Purchase.
Garden Implements.....	633	Amsterdam, Holland.....	Agency.
Bowling Alleys.....	634	Singapore, Straits Settlements.	Agency.

### CERTIFICATES OF ORIGIN FOR BRITISH PREFERENCES

Canadian exporters are reminded of the importance of supplying correct certificates of origin for goods entitled to preferential tariff treatment in Empire countries. The regulations to be observed vary enough to preclude use of uniform documentation for the different British markets. As regards the principal market, the United Kingdom, goods regarded as growth or produce require 100 per cent Empire content; optical goods and parts require 75 per cent; a selected list of manufactured goods (see F.T.D. Leaflet No. 95) require 50 per cent; for other manufactured goods 25 per cent Empire content suffices. A small number of ingredients must qualify independently for preference. Each "article" is subject to the preference test separately, so that when machinery, etc., is shipped to the United Kingdom knocked-down each separate assembly or part must qualify in itself to be entitled to preference. Notice 27A of the London Custom House, issued in March, 1935, prescribes appropriate forms as follows: D, 119 (Sale), for growth or produce; E, 120 (Sale), for manufactured goods; F, 121 (Sale), for manufactured tobaccos and sugars; FF, 122 (Sale), a supporting certificate for ingredients.

### PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

#### From Montreal

*To Liverpool.*—Duchess of Atholl, Sept. 25; Duchess of Bedford, Oct. 2; Montcalm, Oct. 3; Duchess of Richmond, Oct. 9—all Canadian Pacific; Andania, Sept. 25; Antonia, Oct. 9—both Cunard-White Star Line.

*To London.*—Beaverbrae, Sept. 25; Beaverdale, Oct. 2; Beaverburn, Oct. 9—all Canadian Pacific; Ausonia, Sept. 25; Alaunia, Oct. 2; Ascania, Oct. 9—all Cunard-White Star Line.

*To Manchester.*—Manchester Producer, Sept. 24; Manchester Commerce, Oct. 1; Manchester Division, Oct. 8—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Norwegian, Cunard-Donaldson and Dominion Lines, Sept. 26.

*To Southampton.*—Montcalm, Canadian Pacific, Oct. 3.

*To Cardiff, Bristol and Swansea.*—Bristol City, Bristol City Line, Oct. 7.

*To Glasgow.*—Sulairia, Sept. 25; Letitia, Oct. 2; Delilian, Oct. 9—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnesk (calls at Dundee), Sept. 24; Cairnglen, Oct. 8—both Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kyno, Ellerman's Wilson Line, Oct. 9.

*To Dublin and Belfast.*—Dunaff Head, Sept. 23; Lurigethan, Oct. 3—both Head Line (cargo accepted for Londonderry and Cork).

*To Antwerp.*—Beaverbrae, Sept. 25; Beaverdale, Oct. 2—both Canadian Pacific; Kings County, County Line, Sept. 30.

*To Havre.*—Alaska, County Line, Oct. 30.

*To Rotterdam.*—Kings County, Sept. 30; Grey County, Oct. 10; Hada County, Oct. 18—all County Line.

*To Hamburg.*—Frankfurt (calls at Bremen), North German Lloyd Line, Oct. 2; Beaverburn, Canadian Pacific, Oct. 9.

*To Copenhagen, Gothenburg and Baltic Ports.*—A steamer, Swedish-America-Mexico Line, October.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—A steamer, Gardiaz Line, October.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Olmo, Sept. 22; Capo Lena, Oct. 20—both Capo Line.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Belle Isle, Newfoundland-Canada SS. Co., Sept. 25.

*To Cornerbrook, Nfld.*—A steamer, Clarke SS. Co., September.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—A steamer (calls at Guadeloupe and Martinique if sufficient cargo offered), Canadian National, October.

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—A steamer, Canadian National, October.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lionel, Ocean Dominion SS. Corp., Sept. 26.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Canadian Cruiser, Montreal Australia New Zealand Line, Sept. 28.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Benholm, Montreal Australia New Zealand Line, Sept. 21.

*To Manila, Hongkong, Shanghai, Yokohama, and Dairen.*—City of Salisbury, Canada Far East Line, Sept. 30; Myrmidon (does not call at Yokohama or Dairen), Blue Funnel Line, Nov. 14.

*To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.*—Cochrane, Elder Dempster Lines Ltd., Sept. 27.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Oran, Sept. 28; City of Hankow, Oct. 12—both Ellerman & Bucknall SS. Co.

*To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—A steamer, Java-New York Line, October.

*To Santos and Buenos Aires.*—Flint, Sept. 30; Tureby, Oct. 10—both International Freighting Line.

### From Quebec

*To Southampton.*—Empress of Britain, Canadian Pacific, Sept. 26 and Oct. 10.

### From Halifax

*To Liverpool.*—Nova Scotia, Sept. 22; Newfoundland, Oct. 10—both Furness Line; Manchester Hero, Manchester Line, Oct. 3.

*To London and Hamburg.*—McKeesport (calls at Hull, Leith and Dundee), American Hampton Roads, Oct. 1.

*To Manchester.*—Manchester Hero, Oct. 3; Manchester Brigade, Oct. 23; Manchester Exporter, Nov. 10—all Manchester Line.

*To Newcastle and Leith.*—Cairnesk (calls at Dundee), Sept. 27; Cairnglen, Oct. 11—both Cairn-Thomson Line.

*To Copenhagen and Baltic Ports.*—Batory (calls at Gdynia), Gdynia-America Line, Oct. 6.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Townsend, Furness-Red Cross Line, Sept. 21; Kongshaug, Newfoundland-Canada SS. Ltd., Sept. 21 and Oct. 5; Nova Scotia (does not call at St. Pierre), Furness Line, Sept. 22; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Sept. 23.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Canadian National, Sept. 24.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lionel, Ocean Dominion Line, Sept. 26.

*To Santiago (Cuba) and Kingston (Jamaica).*—Ciss, Pickford & Black Ltd., Sept. 23.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Colborne (calls at St. Georges, Bermuda, and at Guadeloupe and Martinique if sufficient cargo offered), Canadian National, Sept. 21.

*To Kingston (Jamaica) and Belize (British Honduras).*—A steamer, Canadian National October.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Chinese Prince, Sept. 26; Silveryew, Oct. 11; Javanese Prince, Oct. 24—all Silver-Prince Line; Newfoundland, Oct. 3; Nova Scotia, Oct. 20—both Furness Line.

### From Saint John

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, Sept. 30; Lady Drake, Oct. 14—both Canadian National.

*To Kingston and Jamaican Outports.*—Harboe Jensen, United Fruit Line, Sept. 25.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—A steamer, American and Indian Line, October.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, Sept. 29; Hiye Maru, Oct. 15; Heian Maru, Oct. 31—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Asia (calls Nagsasaki), Oct. 3; Empress of Canada (calls Honolulu), Oct. 17; Empress of Russia (calls Nagsasaki), Oct. 21; Empress of Japan (calls Honolulu), Nov. 14—all Canadian Pacific; Tyndareus, Sept. 27; Ixion, Oct. 25—both Blue Funnel Line (call at Miike but not at Manila).

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Bintang, Sept. 30; Tosari, Oct. 31—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Niagara, Oct. 7; Aorangi, Nov. 4—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Coast, Oct. 15; Golden Bear, Nov. 15—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Waiotapu, Oct. 17; Limerick, Nov. 20—both Canadian-Australasian Line.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Skagern, Empire Shipping Co., Oct. 10.

*To Sydney, Melbourne and Adelaide.*—Hardingham, September; King Edgar, October; Temple, October—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Lochkatrine, Oct. 3; Lochmonar (calls at Glasgow), Oct. 17; Dinteldyk, Oct. 31; Drechtdyk, Nov. 14—all Holland-America Line.

*To London, Liverpool and Cardiff.*—Bradglen, Sept. 29; King City, Oct. 14—both Reardon Smith Line.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., September.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—San Francisco, Empire Shipping Co., Sept. 28.

*To Scandinavian Ports.*—Margaret Johnson, Sept. 22; Brasil, Sept. 29; Nordstjernan, Oct. 25—all Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Rialto, Empire Shipping Co., Oct. 8.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., October.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Silverwillow, Oct. 5; Siantar, Nov. 5—both Silver-Java Pacific Line.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Brandanger, Sept. 22; Evanger, Oct. 27—both Empire Shipping Co.

*To Puerto Colombia, Kingston and Tampico.*—A steamer, Gulf Pacific Mail Line Ltd., September.

### From New Westminster

*To London and Liverpool.*—Delftdyk (calls at Glasgow), Royal Mail Lines Ltd., Sept. 21; Europa (calls at Copenhagen and Hull), B. L. Johnson Walton Co., Sept. 22; Pacific Ranger (calls at Glasgow and Manchester), Furness Line Ltd., Sept. 24; Gregalia (calls at Glasgow), Balfour Guthrie & Co., Sept. 28; Bradglen (calls at Cardiff), Reardon Smith Line Ltd., Sept. 30; Gothic Star (calls at Glasgow and Rotterdam), American Mail Line Ltd., Oct. 5.

*To Havre, Dunkirk, Antwerp, Rotterdam and Bordeaux.*—San Francisco, Empire Shipping Co., Sept. 27.

*To Brisbane, Sydney, Newcastle, Melbourne and Adelaide.*—Skagrun, Empire Shipping Co., Oct. 5.

*To South African Ports.*—Silverwillow, Dingwall Cotts & Co., Oct. 1.

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

*Tientsin:* C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

### Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

### Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

### Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

### India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

### Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

### Japan

*Tokyo:* J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

*Kobe:* R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

### Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

### Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

### New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

### Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

### Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martín, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

### South Africa

*Cape Town:* G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

*Johannesburg:* J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London:* W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

### United States

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

# COMMERCIAL INTELLIGENCE JOURNAL

Vol. LV

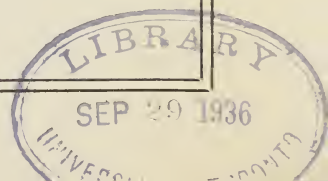
Ottawa, September 26, 1936

No. 1704



Canadian Wheat being unloaded by Bucket at Piraeus, Greece.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER



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# COMMERCIAL INTELLIGENCE JOURNAL

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## TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in Canada in the interest of Canadian trade with their respective territories: Mr. G. B. Johnson, Glasgow; Mr. Frederick Palmer, Bristol (whose territory includes the West of England, South Wales and South Midlands); Mr. Hercule Barré, Paris (whose territory includes the French colonies in North Africa); Mr. L. M. Cosgrave, Melbourne; and Mr. R. P. Bower, who was Acting Trade Commissioner at Batavia, Java.

Their itineraries are as follows:—

### Mr. Johnson

Vancouver, New Westminster .. . . .	Sept. 28 to Oct. 7	Edmonton .. . . .	Oct. 17
Victoria .. . . .	Oct. 8 to 10	Saskatoon .. . . .	Oct. 19
Vernon, Kelowna, Penticton .. . . .	Oct. 13 and 14	Regina .. . . .	Oct. 20
Calgary .. . . .	Oct. 15	Winnipeg .. . . .	Oct. 21 and 22
Lethbridge.. . . .	Oct. 16	Ottawa and district .. . . .	Oct. 26 to 29
		Belleville and district .. . . .	Oct. 30 and 31

### Mr. Palmer

St. Thomas, Simcoe .. . . .	Sept. 28	Oshawa .. . . .	Oct. 16
Niagara Falls and district.. . . .	Sept. 29 and 30	Pictou .. . . .	Oct. 17
Brantford .. . . .	Oct. 1	Montreal .. . . .	Oct. 19 to 29
Hamilton .. . . .	Oct. 2 and 3	Waterloo .. . . .	Oct. 30
Toronto.. . . .	Oct. 5 to 15	Granby .. . . .	Oct. 31

### Mr. Barré

Toronto .. . . .	Sept. 28 to Oct. 3	Three Rivers .. . . .	Oct. 19
Montreal .. . . .	Oct. 5 to 15	Ottawa .. . . .	Oct. 20 and 21
Granby .. . . .	Oct. 16	Quebec .. . . .	Oct. 22 and 23

### Mr. Cosgrave

Victoria.. . . .	Oct. 1 to 3	Vancouver .. . . .	Oct. 4 to Nov. 3
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### Mr. Bower

Montreal and district .. . . .	Sept. 26 to Oct. 10	Thorold, St. Catharines.. . . .	Oct. 28
Toronto and district.. . . .	Oct. 12 to 24	Galt, Preston, Hespeler.. . . .	Oct. 29
Hamilton, Winona .. . . .	Oct. 26 and 27		

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Winnipeg, Edmonton, Vancouver and Victoria, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## FLOUR TRADE OF TIENTSIN

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Tientsin, August 25, 1936.—Tientsin, which is the main distribution point for North China, is an important market for wheat flour, and in past years Canadian producers supplied fairly large quantities of this product. Since 1928-30, however, Canadian participation in this trade has for various reasons fallen off until it is now of negligible proportions. North China's flour trade is almost entirely a price proposition, and Canada in the above years was able to supply large quantities only because the low-grade wheat crops of that period permitted commensurately low price offerings of so-called Oriental or low-grade straights. Until the arrival of the 1935 crop, which contained a large percentage of low-grade frosted and rusted wheat, the opportunity of re-entering this market in volume did not recur, but, unfortunately, it now seems apparent that in spite of Canada's possession this year of the right type of wheat for volume business, a repetition of the trade done in 1928-30 is an impossibility.

Efforts have been made by the leading Canadian mills to market low-grade straights in Tientsin during the first half of the present year, but the net price obtained, in competition with Tientsin- and Shanghai-milled flours, was so poor as to discourage any further attempt to revive this business. Practically all of the locally milled flour and that brought into this port from other Chinese centres, such as Shanghai, Tsinan, and Pengpu, is of straight grade, in two qualities, and the Canadian low-grade straight was therefore in direct competition with these. Moreover, it was found that this year's Canadian low-grade straight was inferior in quality, not only to that supplied in 1928-30 but also to the present Shanghai No. 2 with which it was originally classed. In consequence offers for it were considerably below the ruling ex-godown Tientsin price of Shanghai No. 2, which itself slumped badly in May and June, and the net returns were decidedly below expectations. As trade in this grade of flour is purely a price proposition, it is not considered that at present wheat price levels in Canada it will be possible to sell this grade, over the customs duty barrier, other than spasmodically in the Tientsin market and at other than bargain rates.

### FACTORS AFFECTING IMPORTS

Since the years of extensive shipments, 1928 to 1930, the sales possibilities of the Tientsin market have lessened very greatly. Although at that time there was practically the same modern milling industry in North China as to-day, the customs duties were very low, which paved the way for large sales of imported flour when low-grade straights were available in volume and at low prices. However, in the intervening period the Chinese mills in Tientsin, Tsinanfu, and Tsingtao have obtained tariff protection. This development, coupled with the activities in this market of the Shanghai mills, makes it now practically impossible to compete on a profitable basis in straight grades, which constitute the great bulk of the sales of flour. A limited trade still remains in high-grade Canadian flour, such as bakers' patent, and in clears, but these are used for special purposes and, although this business will endure, it will never reach any appreciable volume. The difficulty of competing against the Shanghai and Tientsin straights can be judged from the fact that, taking a c.i.f. Taku Bar price as a basis, the cost of importing from abroad a 49-pound bag of flour and placing it on a basis ex-godown at Tientsin comparable to Shanghai flour amounts to \$1.05 Tientsin currency. This includes all charges which are not applicable on Shanghai flour and may be taken as a close estimate of the costs of importing all grades of flour. As present exchange is about \$0.30 Canadian currency, the importing costs per barrel amount to about \$1.26 Canadian currency. On the higher grades of flour this figure must be increased slightly because of heavier financing costs

and one or two other variable items which must be calculated on an ad valorem basis. Conversely, this amount when deducted from the converted local selling price will give a close estimate of the c.i.f. Taku Bar price which may be expected.

The flour consumed in Tientsin is supplied from three main sources—foreign imports, Shanghai mills, and Tientsin mills.

### FOREIGN IMPORTS

The following table shows the imports of flour for the calendar year 1935 and for the first five months of 1936:—

Country	1936 January-May		1935 Calendar Year	
	Quintals	Gold Units	Quintals	Gold Units
Australia . . . . .	56	310	5,617	27,299
Canada . . . . .	3,359	21,478	2,623	18,521
Japan . . . . .	37,091	178,576	14,838	82,504
United States . . . . .	2,313	11,060	81,377	459,771
Kwantung Leased Territory	1	7	111	873
Other countries . . . . .	.....	.....	607	4,161
Total . . . . .	42,820	211,431	105,173	593,129

(One quintal equals 220 pounds; one gold unit equals Can.\$0.68.)

As an indication of the value of the usual flour imports from abroad, the 1935 figures given above may be misleading. Those for 1934 were only 40 per cent by value and 43 per cent by weight of the 1935 totals. The explanation lies in the large share of the trade held in that year by the United States, which is abnormal and was accounted for by the heavy sales made under the Wheat and Cotton Loan advanced to China in 1934. The United States has not been a factor of importance in this trade since February, 1935, at the end of which month practically the whole of the above-noted volume of flour had been imported into Tientsin. Most of it had been ground from Pacific Coast wheat, which is the type of flour which usually constitutes the great bulk of the exports of that country to this market. The figures for the period January to May, 1936, are more representative of the share of the trade held by the United States under present conditions.

### JAPAN'S POSITION IN THE TRADE

The increasing importance of Japan as a supplier of flour to this market is noteworthy, although her large share of the total for the first part of this year is as well abnormal. It is expected that this preponderance will continue for the remainder of the year, although it will not affect the ordinary market to any extent, since much the greater part of the above-noted shipments entered duty free for the use of the considerably enlarged body of Japanese troops now stationed in North China. Duty-paid Japanese flour is not particularly a factor of importance as yet in the ordinary commercial flour trade, but it may become so through smuggling operations during the next few months, several such consignments having been brought into Tientsin in recent weeks. These, of course, do not appear as imports in the customs statistics. As a matter of interest, 70 per cent of Japan's total for 1936 entered Tientsin in the month of May alone. Japanese flour, of course, contains an appreciable percentage of Australian and Canadian wheat.

Australia's contribution was the usual type of soft-wheat bread flour, and Canada's comprised bakers' patent, first and second clears, and in 1936 some consignments of low-grade straights, which are not likely to be repeated. For some weeks there have been no stocks of either Australian or United States flour on this market.

### LOCAL PRODUCTION

The chief flour-milling centres in North China having modern mills are Tientsin, Tsinanfu, and Tsingtao. In addition there are the countless hundreds of small primitive community and village type of mills spread over the entire

consuming area, which grind on the spot the locally produced wheat and which, although they supply only the particular neighbourhood, community, or family, account for much the greater part of the flour production of North China. It is however, quite impossible to estimate the total amount of flour produced annually by this village industry, as no statistics covering it are available. As far as can be gathered from the statistics available, the average annual wheat production in the five North China provinces—Shantung, Hopei (Chihli), Shansi, Suiyuan, and Chahar—ranges from 110 to 125 million bushels. The importance of North China as a contributor to the total production of wheat in China may be judged from the fact that two Central China provinces, Honan and Szechuan, each produces annually a greater volume of wheat than does the whole of North China, the production of Honan, in fact, being about double that amount.

#### PRODUCTION IN TIENTSIN

At the present time there are five mills in actual production in Tientsin as follows: Shoo Foong, Min Feng, Yung Nien, Fu Shing, and Chia Jui. The first three of these are owned and operated by the same organization. Each of the five has a daily capacity of about 5,000 49-pound bags, although none of them ever operates to capacity on account of mechanical breakdowns, periodic shortages of wheat, financial difficulties, and political unrest and uncertainty. The average daily output on the basis of a year's operations is approximately 14,000 bags, or about 5,000,000 bags annually, whereas the total flour consumption of the Tientsin market is around 40,000 bags daily, which is about 1,200,000 monthly or 14,500,000 annually. Another mill, the Ching Fung, ceased operation some time ago and is now reported as being sold to Japanese interests.

#### OTHER PRODUCING CENTRES

In Tsinanfu, Shantung Province, there are seven mills operating as follows, their estimated daily output in 49-pound bags being shown in parentheses: Miao Hsing Yuan (6,500), Leng Chen-pang (3,250), Mu-Pai-jen (3,250), Miao Lan-t'ing (3,000), Pao Ching-cheng (2,000), Li Chin-sheng (2,000), and Kuo Tso-ting (1,500). The combined total annual output of these mills is around 8,000,000 bags, but practically the whole of it is consumed in the surrounding districts. Only a small portion finds its way into the Tientsin market, due to high inland rail shipping costs and shipment via the Grand Canal in competition with the ocean-borne Shanghai flour. The only recorded shipment of Tsinanfu flour to reach the Tientsin market this year was one of 8,000 bags in July.

In Tsingtao there are three mills as follows: Hung Heng (6,000), Shuang Fu (1,500), and Ching Liang (700). The combined total annual output of these mills is around 4,000,000 bags, but there is no record of its having appeared on the Tientsin market this year. It was reported some time ago that a new flour mill financed by Japanese interests and capitalized at 300,000 yen was projected for Tsingtao.

In Paotingfu there is one mill, the Tung Yi Kung, but none of its products appears normally on the Tientsin market.

Pengpu flour from Kiangsu Province, Central China, is sold in small quantities in Tientsin, but as that point is outside of North China proper, no production figures are available.

#### LOCAL CONSUMPTION

The average monthly consumption of flour in Tientsin from all sources is estimated in trade circles to be around 1,200,000 49-pound bags. However, the records of flour sales show the average monthly consumption for the first seven

months of 1936 to have been about 1,075,000 bags, which is somewhat below the above figure. Nevertheless it is expected that consumption in the remaining five months will tend to bring the monthly average up to normal. July consumption was, in fact, much higher than the normal monthly figure. To show the relative importance of each flour source, the following table showing all incoming flour on a monthly basis for the period January to July, 1936, including overseas imports, is appended in terms of 49-pound sacks:—

Month	Tientsin	Shanghai	Pengpu	Harbin	Japan	Canada
	Figures in Sacks of 49 Pounds					
January.. . . .	280,000	317,000	21,000	1,800	.....	.....
February.. . . .	406,000	563,000	9,000	.....	.....	.....
March .. . . .	434,000	470,000	12,000	2,000	18,700	5,500
April .. . . .	420,000	696,200	.....	.....	111,640	7,500
May .. . . .	432,000	372,000	5,000	.....	124,600	.....
June.. . . .	420,000	463,000	5,000	.....	32,000	12,000
July .. . . .	432,000	1,189,100	22,200	.....	.....	.....
Total .. . . .	2,824,000	4,070,300	74,400	3,800	286,940	25,000

In the above table 8,000 bags from Tsinanfu are not included in the July figures. The inclusion of these will give a total consumption of 7,292,440 49-pound bags for the January-July period of this year.

By months the sales were as follows: January, 628,900 bags; February, 1,190,900; March, 943,700; April, 1,089,740; May, 1,170,200; June, 1,031,290; and July, 1,460,510.

#### FLOUR GRADES AND USES

Practically all the flour sold in Tientsin is of straight grade. All of the Tientsin, Pengpu, and Tsinan flour and much the greater part of the Shanghai flour is milled solely from Chinese wheat, although in the latter cases there is a certain admixture of Argentine, Australian, and Canadian wheat. The same can be said of the Japanese flour now entering Tientsin in increasing volume. Harbin flour is made from North Manchurian hard wheat of fairly high gluten content. These flours are used for making Chinese-style bread and noodles of various qualities.

The Canadian types of flour imported are exclusively small quantities of bakers' patent and first clear and much larger quantities of second clear. The bakers' patent is used solely for high-grade bread for the foreign population, and its sale is necessarily restricted in volume. The first clear flour is used mainly for mixing with the local flours in making bread for the Chinese population and is esteemed for its fairly high gluten content, giving added volume and at the same time permitting a fairly good colour to be retained. The usual mixture contains about 40 per cent Canadian first clear, with the remainder Tientsin No. 1 or Australian flour. It is also used for making Chinese noodles in the proportion of 60 per cent first clear with 40 per cent Tientsin No. 1 or Australian. Although the volume secured by using first clear in making noodles is not as great as when second clear is used, the colour is better, which appeals to the higher class noodle trade. The second clear grade is used almost wholly for noodles for the lower-class trade, which is entirely one of price. Volume is the main factor in the choice of second clear, since the lower class Chinese cannot afford to consider the point of colour.

#### TYPES IN DEMAND

There will always be a market in Tientsin for second clears because of their high gluten content. No other flour is directly in competition with it, with the result that higher relative prices can be obtained for this product than for better grades of flour which are used for making bread. However, when the price is too

high, local noodle shops turn to Suiyuan flour, milled in Shansi Province, which appears to have the highest gluten content of any flour milled from Chinese wheat, although this content is much lower in actual fact than that of Canadian first clear. This year experimental shipments on consignment of Canadian low-grade straight flour milled from rusted and frosted wheat were made by several mills to Tientsin. However, these flours came into direct competition with the Chinese-milled flours, with the result that the price obtained was too low after the heavy importing charges were paid to make it a profitable venture. It is most unlikely, in the present state of the market, that any such shipments will be made in the future and that any trade in this grade can again be revived. Present indications are that Tientsin in the future will offer a market only for limited quantities of bakers' patent and first clear and a somewhat larger volume of second clear.

#### FUTURE OF TIENTSIN MILLING INDUSTRY

It is reliably reported that on September 1 of this year Japanese interests will take over full control of the five mills mentioned previously as now operating in Tientsin. The South Manchuria Railway Company is also reported to be negotiating with the Kailan Mining Administration, Tientsin, on behalf of certain Japanese capitalists concerning the erection in Chinwangtao of grain elevators and a flour mill with a capacity of 10,000 barrels.

#### TIENTSIN FLOUR EXCHANGE

At present there is no flour exchange in this port, all transactions being handled by the Flour Guild. However, it is expected that the Dairen Bean Flour Exchange Corporation will establish an exchange here similar to that now operating in Shanghai. It is to be capitalized at \$3,000,000, of which \$1,500,000 is to be provided separately by Japanese and Chinese interests, each to have an equal number of directors on the board. The lack of such an exchange has been a distinct handicap to the Tientsin milling industry and explains in parts its inability to supply the local market entirely, in competition with Shanghai. Tientsin flour heretofore has been subject to buyer's option and more or less always on a straight cash basis for immediate delivery. The advent of a properly administered exchange will enable the mills to sell forward against their purchases of wheat, and finance such purchases from the 25 per cent "bargain" money paid by flour dealers on their forward flour contracts. Should this exchange be successfully established, it should render a valuable service to the milling industry in this centre. Considerably increased production on a sounder financial basis will likely be the result, although this may quite easily prove damaging to Shanghai's predominance in this market. It may also result in the sale of certain quantities of Canadian wheat to the Tientsin mills for mixing with the locally grown article. Canadian wheat has not entered this port during the past two years at least, mainly because the mills in this centre have been unable to finance such purchases or to assume the risk of market fluctuation, having no facilities to dispose, on forward contract, of the flour they expected to mill from such wheat.

#### MARKET PROSPECTS

Present conditions indicate that local mills will play a much larger part in supplying the Tientsin market in the future, and the boom years for imported flour, such as the period 1928-30, are unlikely to recur. The experience this year of Canadian millers in shipping test parcels of low-grade straight flour to this market points definitely to this latter conclusion.

## JAPAN'S FOREIGN TRADE, JANUARY TO JUNE, 1936

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

(At par one yen equals 0.4985 gold dollars; for the period January to June, 1935 and 1936, the average rate of the yen was 29 cents Canadian)

Tokyo, August 12, 1936.—Japan's total foreign trade for the first six months of 1936 was valued at 2,707,830,454 yen as against 2,517,667,804 yen in the 1935 half-year period, an increase of 190,162,650 yen. Exports were valued at 1,218,008,316 yen as compared with 1,173,428,747 yen in the 1935 similar period, an increase of 34,579,569 yen; imports were valued at 1,489,822,138 yen as against 1,344,239,057 yen, an increase of 145,583,081 yen. Japan had thus an unfavourable balance of trade during the period under review amounting to 271,813,822 yen as against an excess of imports during the 1935 half-year period of 170,810,310 yen, an increase of 101,003,512 yen.

### EXPORTS BY COUNTRIES

Exports to Asiatic countries were valued at 638,857,077 yen as against 630,149,623 yen in the 1935 half-year period, an increase of 8,707,454 yen. Japan's largest Asiatic customers were Kwantung Province (166,361,783 yen), British India (120,329,742 yen), Manchukuo (68,379,129 yen), China proper (67,464,800 yen), the Dutch East Indies (58,752,386 yen), and the Straits Settlements (26,787,343 yen). Exports to European countries were valued at 142,911,186 yen as compared with 118,568,783 yen in the 1935 similar period, an increase of 24,342,403 yen. The largest European purchasers of Japanese products were Great Britain (62,949,113 yen), France (19,699,344 yen), Germany (17,366,434 yen), Belgo-Luxemburg Economic Union (8,814,246 yen), and Holland (8,594,123 yen).

Exports to North America were valued at 249,883,072 yen as against 233,867,637 yen, an increase of 16,015,435 yen. Of this amount exports to the United States were valued at 244,429,608 yen, to Canada at 5,428,769 yen, and to "other countries" at 24,695 yen.

Exports to Central America were valued at 16,837,732 yen as against 18,856,956 yen, a decrease of 2,019,224 yen. The largest Central American customers were Panama (4,469,759 yen), Mexico (3,645,626 yen), Curacao (1,809,455 yen), and Dominican Republic (1,237,118 yen).

Exports to South America were valued at 32,373,967 yen as against 39,845,672 yen, a decrease of 7,471,705 yen. The largest South American importers of Japanese goods were Argentina (10,736,054 yen), Chile (4,163,616 yen), Brazil (3,797,475 yen), Uruguay (3,652,170 yen), Peru (2,654,319 yen), and Venezuela (2,393,070 yen).

Exports to African countries were valued at 91,217,536 yen as against 89,915,573 yen, an increase of 1,301,963 yen. The principal purchasers were Egypt (20,200,135 yen), the Federation of South Africa (17,506,927 yen), Kenya, Uganda, and Tanganyika (14,816,911 yen), French Morocco (10,410,931 yen), and Mozambique (5,341,035 yen).

Exports to Oceanic countries were valued at 45,927,746 yen as compared with 42,224,503 yen, an increase of 3,703,243 yen. The largest Oceanic purchasers of Japanese products were Australia (35,449,641 yen), New Zealand (5,624,719 yen), and Hawaii (3,616,654 yen).

### PRINCIPAL PRODUCTS EXPORTED

Japan's largest single export item was cotton tissues amounting to 1,334,031.064 square yards (229,417,024 yen) as against 1,388,876,908 square yards (256,443,963 yen) in the 1935 half-year period, a decrease in both quantity and value.

Of total exports of cotton tissues, "grey" cotton tissues were exported to the value of 71,458,159 yen, chiefly to British India (18,211,572 yen), Manchukuo (9,194,251 yen), the Dutch East Indies (5,438,999 yen), Aden (3,812,202 yen), Kenya, Uganda, and Tanganyika (3,169,040 yen), Australia (2,915,259 yen), Anglo-Egyptian Sudan (2,719,272 yen), and Kwantung Province (2,625,996 yen); "bleached" cotton tissues valued at 42,179,163 yen were exported chiefly to the Dutch East Indies (5,093,476 yen), British India (4,557,923 yen), French Morocco (4,333,583 yen), Kwantung Province (3,626,008 yen), the United States (2,940,755 yen), Manchukuo (2,415,561 yen), and Siam (1,864,627 yen). "Other" cotton tissues were valued at 115,779,702 yen and were exported chiefly to the Dutch East Indies (15,546,505 yen), British India (13,358,677 yen), Manchukuo (8,745,933 yen), Kwantung Province (6,039,797 yen), Argentina (5,701,171 yen), Egypt (5,511,288 yen), and Kenya, Uganda, and Tanganyika (5,497,690 yen).

Japan's second largest export item was raw silk amounting to 187,596 bales (149,435,555 yen) as compared with 253,493 bales (158,361,000 yen) in the similar period of last year, a decrease in both quantity and value. As usual, the United States was Japan's best customer, taking 153,068 bales (121,978,413 yen) as against 209,662 bales (131,739,968 yen) in the 1935 half-year period. Others purchasers of Japanese raw silk included Great Britain (12,289,109 yen), France (9,574,337 yen), Australia (2,297,379 yen), British India (1,529,177 yen), and Canada (265,576 yen, which does not include large indirect imports of Japanese raw silk from the United States).

Japan's third largest export was that of artificial silk tissues amounting to 257,653,089 square yards (72,131,410 yen) as against 203,534,194 square yards (65,395,591 yen) in the 1935 half-year period, an increase in both quantity and value. Chief among the purchasers of artificial silk tissues were British India (12,026,618 yen), Kwantung Province (10,204,794 yen), Australia (9,459,439 yen), the Dutch East Indies (5,529,661 yen), the Philippine Islands (5,162,578 yen), and Hongkong (4,043,679 yen).

The following products were exported to a value exceeding 10,000,000 yen:—

Iron and steel (38,720,242 yen), chiefly to Kwantung Province, China Proper, and Siam; machinery (33,314,001 yen), chiefly to Kwantung Province, China Proper, and Asiatic Russia; silk tissues (32,077,514 yen), chiefly to British India, Great Britain, and the United States; comestibles (27,030,193 yen), chiefly to Great Britain, the United States, and France; vegetable fatty oils (25,136,431 yen), chiefly to the United States; knitted goods (23,371,308 yen), chiefly to the United States, Great Britain, the Philippine Islands, the Dutch East Indies, British India, and the Federation of South Africa; cotton yarns (20,206,050 yen), chiefly to British India, Manchukuo, and the Dutch East Indies; pottery (19,596,362 yen), chiefly to the United States, British India, and the Dutch East Indies; woollen tissues (19,339,604 yen), chiefly to Kwantung Province, Egypt, and China Proper; iron manufactures (18,859,147 yen), chiefly to Kwantung Province, British India, the Dutch East Indies, and Manchukuo; artificial silk (16,489,113 yen), chiefly to Kwantung Province, British India, and Mexico; toys (15,148,443 yen), chiefly to the United States and Great Britain; refined sugar (14,150,982 yen), chiefly to Kwantung Province and China Proper; glass (12,293,188 yen), chiefly to British India and the United States; paper (12,017,940 yen), chiefly to Kwantung Province, China Proper, and Manchukuo; lumber (10,502,433 yen), chiefly to Kwantung Province, Great Britain, and China Proper; and wheat flour (10,181,329 yen), chiefly to Kwantung Province and Manchukuo.

The following other products were exported to a value exceeding 1,000,000 yen and less than 10,000,000 yen:—

Beans and peas, chiefly to Great Britain; tea, chiefly to the United States; aquatic products, chiefly to China Proper, Kwantung Province, the Straits Settlements, and Hongkong; isinglass, chiefly to the United States and Great Britain; beer, chiefly to Kwantung Province; peppermint oil, chiefly to Germany and France; fish and whale oil, chiefly to Germany and Holland; soap, chiefly to Kwantung Province, Manchukuo, and China Proper; dried plants, chiefly to the United States; camphor, chiefly to the United States and France; menthol crystals, chiefly to the United States; waste silk, chiefly to Italy; cotton blankets, chiefly to British India, Kenya, Uganda and Tanganyika, and Siam; cotton towels, chiefly to the Federation of South Africa, Australia, British India, and the Dutch East Indies; silk handkerchiefs, chiefly to the United States, British India, and Great Britain; hats and caps, chiefly to the United States; buttons, chiefly to Great Britain, British India, and Holland;

jewellery, chiefly to British India and the United States; coal, chiefly to Hongkong and the Straits Settlements; cement, chiefly to Kwantung Province; brass, chiefly to British India; gum tires, chiefly to the Dutch East Indies, China proper, and Kwantung Province; plaits for hat making, chiefly to the United States; umbrellas, to many countries; brushes, chiefly to the United States and Great Britain; and lamps and parts, chiefly to the United States.

#### IMPORTS BY COUNTRIES

Imports from Asiatic countries were valued at 551,798,728 yen as against 456,296,108 yen in the 1935 half-year period, an increase of 95,502,620 yen. Japan's chief Asiatic purchases came from British India (212,686,573 yen), Manchukuo (122,963,665 yen), China Proper (66,157,862 yen), the Dutch East Indies (60,027,673 yen), and Kwantung Province (16,359,566 yen).

Imports from Europe were valued at 178,361,451 yen as against 195,130,617 yen, a decrease of 16,769,166 yen. The largest imports into Japan from individual European countries were from Germany (69,781,589 yen), Great Britain (38,963,672 yen), Sweden (11,426,609 yen), France (9,712,590 yen), Norway (8,010,521 yen), and Switzerland (7,632,335 yen).

Imports from North America were valued at 480,403,797 yen as against 487,280,093 yen, a decrease of 6,876,296 yen. Of this amount imports from the United States were valued at 446,709,000 yen and from Canada at 33,668,609 yen.

Imports from Central America were valued at 9,464,287 yen as against 3,080,384 yen, an increase of 6,383,903 yen. Of this amount Mexico's exports to Japan were valued at 7,887,872 yen, Dominican Republic's at 557,447 yen, and Cuba's at 172,320 yen.

Imports from South America were valued at 30,690,403 yen as against 14,878,240 yen, an increase of 15,812,163 yen. Of this amount imports from Argentina were valued at 11,386,808 yen, from Chile at 6,201,734 yen, from Brazil at 4,898,429 yen, from Uruguay at 4,039,010 yen, and from Peru at 3,274,887 yen.

Imports from Africa were valued at 51,018,757 yen as against 41,913,652 yen, an increase of 9,105,105 yen. Japan's largest African purchases came from Egypt (22,933,870 yen), Kenya, Uganda, and Tanganyika (16,786,804 yen), and the Federation of South Africa (5,439,270 yen).

Imports from Oceania were valued at 188,084,715 yen as against 126,798,627 yen, an increase of 61,286,088 yen. Australia's share of this trade was valued at 167,506,563 yen, New Zealand's at 17,222,747 yen, and the Society Island's at 1,617,434 yen.

#### IMPORTS BY COMMODITIES

As usual, Japan's largest single import item was raw cotton, amounting to 1,111,630,872 pounds (452,490,966 yen) as against 944,769,408 pounds (424,889,678 yen) in the 1935 half-year period. Japan's raw cotton imports represented over 30 per cent of her total imports during the year under review. Of total raw cotton imports, the United States' share was valued at 213,708,311 yen, British India's at 183,123,483 yen, and Egypt's at 17,422,964 yen.

Japan's second largest import was sheep's wool amounting to 178,534,488 pounds (167,471,598 yen) as against 131,272,416 pounds (96,174,827 yen). Japan's largest imports of sheep's wool came from Australia (143,073,151 yen), from New Zealand (15,772,174 yen), and from the Federation of South Africa (3,531,516 yen).

Crude oil and heavy mineral oil were Japan's third largest import during the period under review. Imports of mineral oil (heavy and crude) amounted to 2,076,215 kilo litres (66,228,561 yen) as against 1,567,591 kilo litres (49,371,304 yen) (one kilo litre equals approximately 264 gallons). Of this amount imports from the United States were valued at 50,114,421 yen, from the Dutch East Indies at 9,640,567 yen, and from British Borneo at 4,253,547 yen.

In addition to the above imports of mineral oil, 373,501 kilo litres of mineral oil under 0·8762 S.G. and valued at 21,940,263 yen were imported, chiefly from the Dutch East Indies and the United States.

Imports of iron and steel came fourth from a value standpoint and amounted to 754,988 short tons (55,361,668 yen) as against 1,475,323 short tons (101,927,676 yen). Of this amount imports from the United States were valued at 24,103,490 yen, from Germany at 5,150,890 yen, and from Belgium at 4,054,379 yen.

The fifth largest import was beans valued at 50,504,165 yen as against 39,867,070 yen. Of this amount imports from Manchukuo were valued at 46,609,033 yen.

Imports of machinery were valued at 46,595,754 yen as against 54,686,922 yen. These came chiefly from the United States (18,797,855 yen), Germany (12,834,813 yen), and Great Britain (8,903,173 yen).

The following other products were imported to a value exceeding 10,000,000 yen and less than 35,000,000 yen:—

Rubber (30,654,192 yen), chiefly from the Dutch East Indies and the Straits Settlements; paper and rayon pulp (30,407,720 yen), chiefly from the United States, Norway, Sweden, and Canada; sulphate of ammonia (29,761,573 yen), chiefly from Germany and the United States; oil yielding materials (26,247,983 yen), chiefly from Manchukuo, China Proper, and the Dutch East Indies; oil cake (25,719,315 yen), chiefly from Manchukuo, Kwantung Province, and China Proper; lumber (25,510,790 yen), chiefly from the United States, the Philippine Islands, and Canada; automobiles and parts (22,844,274 yen), chiefly from the United States; wheat (22,002,331 yen), chiefly from Australia and Canada; pig iron (21,510,782 yen), chiefly from British India and Manchukuo; ores (20,293,574 yen), chiefly from China Proper and British India; "other" vegetable fibres (17,008,993 yen), chiefly from the Philippine Islands, British India, and China Proper; copper (14,717,393 yen), chiefly from the United States; sugar (12,655,168 yen), chiefly from the Dutch East Indies; lead (12,466,386 yen), chiefly from Canada, British India, and the United States; hides and skins (12,267,347 yen), chiefly from China Proper and the United States; and phosphorite (11,043,702 yen), chiefly from Egypt and the United States.

The following other imports are worthy of note:—

Fresh beef (3,772,080 yen), chiefly from China Proper; nitrate of soda (6,583,464 yen), chiefly from Chile and the United States; synthetic colours (4,800,002 yen), chiefly from Germany; woollen tissues (4,403,100 yen), chiefly from Great Britain; newsprint (5,303,245 yen), chiefly from Canada; aluminium (5,858,888 yen), chiefly from Canada; tin (5,459,677 yen), chiefly from the Straits Settlements; zinc (4,566,232 yen), chiefly from Australia and Canada; and wheat bran (3,326,408 yen), chiefly from China Proper.

#### SUMMARY OF THE FOREIGN TRADE OF JAPAN

The following is a summary of Japan's total foreign trade for the first six months of 1935 and 1936 ended June 30:—

	1936 Yen	1935 Yen	Increase Per Cent
Imports . . . . .	1,489,822,138	1,344,239,057	10.8
Exports . . . . .	1,218,008,316	1,173,428,747	3.8
Total . . . . .	2,707,830,454	2,517,667,804	7.5
Excess of imports . . . . .	271,813,822	170,810,310	59.1

#### CHIEF EXPORTS AND IMPORTS

The following figures show Japan's chief exports and imports for the first six months of 1936 and 1935 ended June 30, together with the percentage of increase or decrease as against the 1935 half-year period:—

##### *Principal Exports from Japan*

	Jan.-June 1936 Yen	Jan.-June 1935 Yen	Inc. or Dec. Per Cent
Wheat flour . . . . .	10,181,329	19,027,514	-46.5
Refined sugar . . . . .	14,150,982	9,174,486	+54.2
Tea . . . . .	2,846,367	3,135,792	-9.2
Aquatic products . . . . .	7,649,856	7,801,683	-1.9
Comestibles . . . . .	27,030,193	21,981,452	+23.0

	Jan.-June 1936 Yen	Jan.-June 1935 Yen	Inc. or Dec. Per Cent
Vegetable fatty oils.. . . .	25,136,431	15,400,270	+63.2
Cotton yarns .. . . .	20,206,050	17,240,224	+17.2
Raw silk .. . . .	149,435,555	158,361,000	- 5.6
Artificial silk .. . . .	16,489,113	10,647,169	+54.9
Cotton tissues (gray) .. . . .	71,458,159	71,746,378	- 0.4
Cotton tissues (bleached) .. . . .	42,179,163	50,129,246	-15.8
Cotton tissues (other) .. . . .	115,779,702	134,568,339	-14.0
Woollen tissues .. . . .	19,339,604	13,553,248	+42.7
Silk tissues.. . . .	32,077,514	39,359,394	-18.5
Artificial silk tissues.. . . .	72,131,410	65,395,591	+10.3
Knitted goods.. . . .	23,371,308	23,548,503	- 0.7
Hats and caps.. . . .	8,618,829	7,219,716	+19.4
Buttons .. . . .	5,285,566	4,794,922	+10.2
Papers .. . . .	12,017,940	11,562,075	+ 3.9
Pottery .. . . .	19,596,362	19,328,726	+ 1.4
Glass.. . . .	12,293,188	11,209,877	+ 9.7
Iron .. . . .	38,720,242	29,106,168	+33.0
Iron manufactures .. . . .	18,859,147	17,951,230	+ 5.0
Machinery .. . . .	33,314,001	24,933,379	+33.6
Toys .. . . .	15,148,443	14,825,804	+ 2.2

### Principal Imports into Japan

	Jan.-June 1936 Yen	Jan.-June 1935 Yen	Inc. or Dec. Per Cent
Wheat .. . . .	22,002,331	24,509,469	-10.2
Beans .. . . .	50,504,165	39,867,070	+26.7
Oil yielding materials .. . . .	26,247,983	24,095,929	+ 8.9
Sugar .. . . .	12,655,168	6,754,934	+87.3
Hides and skins .. . . .	12,267,347	9,421,967	+30.2
Mineral oil .. . . .	66,228,561	49,371,304	+34.1
Mineral oil (under 0.8762 S.G.) .. . . .	21,940,263	17,906,521	+22.5
Indiarubber .. . . .	30,654,192	26,875,249	+14.1
Sulphate of ammonia .. . . .	29,761,573	15,837,408	+87.9
Raw cotton.. . . .	452,490,966	424,889,678	+ 6.5
Sheep's wool.. . . .	167,471,598	96,174,827	+74.1
Paper and rayon pulp .. . . .	30,407,720	32,389,532	- 6.1
Newsprint .. . . .	5,303,245	4,078,534	+30.0
Phosphorite.. . . .	11,043,702	9,014,775	+22.5
Coal .. . . .	24,812,671	23,623,847	+ 5.0
Ores .. . . .	20,293,574	17,012,544	+19.3
Pig iron.. . . .	21,510,782	21,639,760	- 0.6
Iron (other) .. . . .	55,361,668	101,927,676	-45.7
Aluminium .. . . .	8,286,617	9,652,944	-14.2
Lead.. . . .	12,466,336	8,918,411	+39.8
Copper .. . . .	14,717,393	18,801,680	-21.7
Automobiles and parts .. . . .	22,844,274	17,697,607	+29.1
Machinery .. . . .	46,595,754	54,686,922	-14.8
Lumber .. . . .	25,510,790	27,542,428	- 7.4
Oil cake .. . . .	25,719,315	27,090,536	- 5.0

### Japan's Trade with Canada

Japan's total trade with Canada for the first six months of 1936 was valued at 39,097,378 yen as against 37,820,649 yen in the 1935 similar period, an increase of 1,276,729 yen. Imports from Canada were valued at 33,668,609 yen as compared with 33,892,922 yen, a decrease of 224,313 yen; and exports to Canada were valued at 5,428,769 yen as against 3,927,727 yen, an increase of 1,501,042 yen.

Japan had therefore an unfavourable balance of trade with Canada amounting to 28,239,840 yen as against an excess of imports in the 1935 period of 29,965,195 yen, a decrease of 1,725,355 yen.

### EXPORTS TO CANADA

Japan's largest export to Canada is raw silk, but as most of this silk is purchased by Canada from New York, Japanese statistics show only direct shipments to Canada, and indirect shipments are shown as exports to the United

States. According to Japanese statistics, direct exports of raw silk to Canada for the first six months of 1936 amounted to 332 bales (265,476 yen) as against 120 bales (70,480 yen) in the 1935 half-year period. On the other hand, Canadian statistics show that during the period under review imports of Japanese raw silk from the United States were valued at \$1,646,099 as against \$2,167,402 for the corresponding period of 1935.

Japan's second largest export to Canada was pottery, valued at 902,906 yen as against 732,630 yen, an increase of 170,276 yen. Canada was Japan's fifth largest buyer of pottery among all countries.

Third largest export to Canada was rice, valued at 539,203 yen as against 306,758 yen, an increase of 232,445 yen. Canada was the largest buyer of Japanese rice during the period under review.

Fourth largest export to Canada was toys, valued at 409,446 yen as against 333,198 yen, an increase of 76,248 yen. Canada was the sixth largest purchaser of Japanese toys.

Artificial silk tissues come fifth in the list of Japanese exports to Canada and were valued at 266,407 yen as against 74,922 yen, an increase of 191,485 yen.

Among other products exported to Canada during the 1936 half-year period were: tea (185,514 yen), silk tissues (99,707 yen), lamps and parts (94,966 yen), buttons (57,378 yen), brushes (48,644 yen), and silk handkerchiefs (22,140 yen).

#### IMPORTS FROM CANADA

Japan's largest import from Canada during the first six months of 1936 was aluminium amounting to 5,256 short tons (5,858,888 yen) as against 3,580 short tons (4,477,627 yen) in the 1935 similar period. This increase may be partly attributed to the fact that larger supplies were brought in early in the year in anticipation of a higher tariff on aluminium, which finally became effective on June 1. These higher duties on aluminium will, no doubt, tend to limit the importation of Canadian aluminium during the next year. Canada was the most important supplier of aluminium to Japan.

Wheat comes second in Japan's list of imports from Canada and amounted to 1,806,035 bushels (5,472,310 yen) as against 1,579,380 bushels (5,098,573 yen), an increase in both quantity and value. Canada, next to Australia (15,963,429 yen), was the largest exporter of wheat to Japan.

Third largest import from Canada was lead amounting to 21,673 short tons (5,221,813 yen) as against 17,321 short tons (2,883,830 yen). Canada was by far the largest supplier of lead to Japan during the period under review, the next largest imports coming from British India (1,835,647 yen) and the United States (1,684,899 yen).

Canada maintained her position as the largest supplier of newsprint to Japan, a position which she has held for the last five years. Imports of newsprint from Canada amounted to 40,225 short tons (4,586,132 yen) as against 30,253 short tons (3,386,749 yen). Imports of newsprint from Canada represent over 80 per cent of total imports of newsprint. Small supplies of newsprint are imported from the United States, Norway, and Great Britain.

Imports of lumber from Canada were particularly small during the period under review when it is considered that lumber used to be Canada's largest export to Japan. Imports of lumber from Canada during the period under review were valued at 2,119,512 yen as against 6,762,647 yen during the 1935 period, a decrease of 4,643,135 yen. However, imports during the 1935 similar period were larger than normal, due to large supplies being brought in, in anticipation of the surtax which became effective in July of that year. Imports of

paper and rayon pulp from Canada amounted to 14,670 short tons (1,819,292 yen) as against 30,415 short tons (4,936,620 yen), a large decrease in both quantity and value. While pulp was subject to the surtax of last year, the chief reason for this year's decline in imports is due to the inability of Canadian firms to supply the Japanese demand. The United States (14,490,783 yen), Norway (6,674,053 yen), and Sweden (4,349,088 yen) were the largest suppliers of pulp to the Japanese market.

While Canada is generally the largest supplier of zinc, her position was second to Australia during the period under review. Imports of zinc from Canada amounted to 5,418 short tons (1,396,279 yen) as against 6,837 short tons (1,528,616 yen). Imports of zinc from Australia were valued at 1,426,022 yen.

Imports of machinery from Canada were valued at 42,733 yen as compared with 100,456 yen, and imports of fresh beef at 558 yen as against 150,239 yen in the 1935 half-year period. This decline in beef imports from Canada is due entirely to Canadian prices being out of line with local, Chinese, and Australian prices.

#### SUMMARY OF JAPAN'S TRADE WITH CANADA

The following table shows Japan's total trade with Canada for the first six months of 1935 and 1936 ended June 30, together with the percentage of increase or decrease as against the 1935 period:—

	Jan.-June 1936 Yen	Jan.-June 1935 Yen	Inc. or Dec. Per Cent
Imports . . . . .	33,668,609	33,892,922	— 0.7
Exports . . . . .	5,428,769	3,927,727	+38.2
Total trade . . . . .	39,097,378	37,820,649	+ 3.4
Excess of imports . . . . .	28,239,840	29,965,195	— 5.7

#### Principal Exports to Canada

	Jan.-June 1936 Yen	Jan.-June 1935 Yen	Inc. or Dec. Per Cent
Rice and paddy . . . . .	539,203	306,758	+ 75.8
Beans and peas . . . . .	18,395	12,690	+ 44.9
Tea . . . . .	185,514	109,954	+ 68.7
Menthol crystals . . . . .	21,542	21,496	+ 0.2
Raw silk <sup>1</sup> . . . . .	265,476	70,480	+276.7
Silk tissues . . . . .	99,707	121,501	— 18.0
Artificial silk tissues . . . . .	266,407	74,922	+255.6
Silk handkerchiefs . . . . .	22,140	33,698	— 34.3
Buttons . . . . .	57,378	42,729	+ 34.4
Pott'ry . . . . .	902,906	732,630	+ 23.2
Brushes . . . . .	48,644	30,403	+ 60.2
Lamps and parts . . . . .	94,966	43,333	+119.1
Toys . . . . .	409,446	333,198	+ 22.9

<sup>1</sup> Direct shipments only. Does not include Canada's large purchases of Japanese raw silk imports via New York.

#### Principal Imports from Canada

	Jan.-June 1936 Yen	Jan.-June 1935 Yen	Inc. or Dec. Per Cent
Wheat . . . . .	5,472,310	5,098,573	+ 7.3
Fresh beef . . . . .	558	150,239	—99.6
Paper and rayon pulp . . . . .	1,819,292	4,936,620	—63.1
Newsprint . . . . .	4,586,132	3,386,749	+35.4
Aluminium . . . . .	5,858,888	4,477,627	+30.8
Lead . . . . .	5,221,813	2,883,830	+81.1
Zinc . . . . .	1,396,279	1,528,616	— 8.6
Automobiles . . . . .	.....	38,074	.....
Machinery . . . . .	42,733	100,456	—57.5
Lumber . . . . .	2,119,512	6,762,647	—68.6

## LONDON CANNED FRUITS MARKET<sup>1</sup>

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, August 28, 1936.—The aggregate of all importations of canned fruits into the United Kingdom during the half-year ending June 30, 1936, was 37 per cent higher than in the same period of 1935, according to a report just issued by the Imperial Economic Committee. The canned fruits outstandingly affected were peaches, the importations of which increased by 76 per cent, and apricots, which increased by 75 per cent. Currants and berries registered the only declines.

The following table shows the quantitative clearances through the main ports (tantamount to total importations) of canned and bottled fruits, preserved in thin syrup, during the half-year and also during the nine months ending June 30, figures for the latter period being approximately indicative of the total for the season just concluded. The figures, in thousands of cases, have been calculated from tonnages imported at 45 pounds per case, except Malayan pine-apples at 56 pounds per case, currants, berries, and grapefruit at 30 pounds per case, and Japanese oranges at 33 pounds per case:—

### *Imports of Canned and Bottled Fruits in Thin Syrup*

	September-June		January-June		Inc. or Dec. Per Cent
	1935-6	1934-5	1936	1935	
	Thousands of Cases		Thousands of Cases		
Peaches . . . . .	2,345.5	1,263.0	1,015.6	576.0	+76
Pears . . . . .	1,941.9	1,719.8	1,018.8	913.7	+12
Pineapples . . . . .	1,572.8	1,183.5	1,036.4	824.1	+26
Fruit salad . . . . .	729.2	(a)	298.8	242.9	+23
Apricots . . . . .	602.8	294.8	273.9	156.1	+75
Grapefruit . . . . .	(a)	(a)	508.2	(a)	....
Currants and berries . . . .	173.3	207.0	68.8	77.0	-11
Others . . . . .	1,085.8	1,285.6	681.9	798.7	+49 (b)

(a) Not separately classified at this time; (b) allowances having been made for the changes in classification.

The statistics given above, it should be noted, are clearances through the main ports and may show differences of up to 5 per cent from the actual total importations. They are, however, the only detailed import statistics available, as only canned pears are shown separately in the published trade statistics. For the sake of completeness and to provide the accurate totals, the published figures of importation in the first six months of each of the past three years, in hundred-weights of 112 pounds, are as follows:—

### *Imports of Canned Fruits in Thin Syrup*

	January-June		January-June		January-June	
	1934		1935		1936	
Pears—	Cwt.	£	Cwt.	£	Cwt.	£
Total . . . . .	362,666	569,079	366,572	664,134	409,125	711,299
Australia . . . . .	74,049	121,565	72,264	136,021	69,062	130,407
Canada . . . . .	27,468	45,457	36,968	67,524	20,156	38,701
Other British countries . . .	4,623	8,840	11,173	21,286	9,489	19,300
United States . . . . .	255,739	392,158	246,145	439,172	309,564	521,787
All other fruits—						
Total . . . . .	1,357,781	2,011,928	1,052,917	1,631,409	1,516,991	2,322,379
British Malaya . . . . .	450,892	450,769	383,926	383,510	467,947	523,332
Australia . . . . .	190,194	282,970	146,856	247,491	115,915	198,661
Other British countries . . .	22,594	38,976	28,682	51,795	33,937	64,126
Italy . . . . .	16,185	33,313	9,257	19,998	20	38
United States . . . . .	582,553	1,013,375	441,243	850,267	709,861	1,237,181
Hawaii . . . . .	12,769	24,797	5,670	10,684	7,371	14,749
Other countries . . . . .	82,594	167,723	37,283	67,664	181,940	284,292

### IMPORTS BY COUNTRIES

These statistics are obviously inadequate for the purpose of providing complete information as to countries of origin and again we have recourse to

<sup>1</sup> See also "London Canned Fruits Market in 1935," published in *Commercial Intelligence Journal* No. 1676 (March 14, 1936).

the figures of clearance through the main ports, from which data the following table has been compiled; pineapples have been omitted as being of little interest to Canadian suppliers:—

*Arrival of Canned Fruits at the Principal United Kingdom Ports,  
January to June, 1936*

	Canada	Australia	South Africa Figures	United States in Cases	Other Countries	Total
Apples.. . . . .	60,958	256	50	270,667	300	332,231
Apricots . . . . .	275	67,578	30,432	150,217	1,478	249,980
Peaches.. . . . .	15,392	192,194	3,205	788,373	6,273	1,001,337
Pears . . . . .	46,157	157,348	11,675	854,424	380	1,073,084
Fruit salad . . . . .	20	10	.....	298,214	.....	298,244
Fruit cocktail.. . . .	.....	.....	.....	16,923	.....	16,923
Loganberries.. . . .	5,648	1	.....	43,669	.....	49,318
Other berries.. . . .	977	503	405	3,371	520	5,776
Cherries . . . . .	2,562	100	.....	6,066	3,793	12,621
Grapefruit . . . . .	835	.....	.....	467,043	2,304	470,182
Oranges . . . . .	2,073	.....	.....	3,010	481,193 <sup>1</sup>	486,266 <sup>1</sup>
Other fruits <sup>2</sup> .. . . .	8,414	21,372	28,260	142,697	964,566 <sup>3</sup>	1,165,059
Totals 1936 . . . . .	142,411	439,362	74,027	3,044,664	1,460,557	5,161,021
1935 . . . . .	170,872	573,733	86,758	2,055,843	924,707 <sup>4</sup>	3,808,913

<sup>1</sup> Mainly Japan. <sup>2</sup> Mainly pineapples. <sup>3</sup> Made up mainly of 900,617 cases of pineapples from Malaya. <sup>4</sup> Made up mainly of 790,606 cases of pineapples from Malaya.

#### CHANGES IN SOURCES OF SUPPLY

This table indicates some rather radical changes in the sources of supply in the past six months as compared with the corresponding period of the previous year. The increase of 37 per cent in the volume of aggregate imports occurred despite decreases in total volume from Canada of about 16 per cent, from Australia of about 23 per cent, and from South Africa of about 14 per cent. These decreases, as well as the net increase, were absorbed by the United States, imports from which increased by over 48 per cent, by Malaya with an increase in pineapple sales of over 13 per cent, and by other countries which are credited with an increase in aggregate volume of sales of over 317 per cent, the greater part of which is accounted for by canned oranges from Japan.

Imports of canned apples were almost equal to the total for the periods January to June, 1935 (159,490 cases), and 1934 (192,747 cases). Shipments from Canada have steadily increased from 40,964 cases in 1934 to the present figure of 60,958 cases. The volume of peaches, which decreased from 968,933 cases in the first six months of 1934 to 584,934 in the same period of 1935, has more than recovered the lost ground in the new half-yearly total of over 1,000,000 cases; Canadian suppliers enjoyed a substantial benefit by increasing their half-yearly exports from a little over 2,000 cases in both 1934 and 1935 to over 15,000 cases in 1936. The total volume of pears shows an increase of about 10 per cent over the volumes in 1934 and 1935, but the quantity from Canada decreased from 97,277 cases in the first half of 1935 to 46,157 cases in the same period of 1936. Loganberries have decreased slightly on the aggregate, but Canada shipped about the same volume in 1936 as in 1935. The imports of canned cherries continue to decrease: 53,456 cases in January to June, 1934; 25,441 cases in the same period of 1935; and only 12,621 cases in 1936. Canada's share has increased from about 1,400 cases to 2,562 cases.

#### CANADIAN EXPORTS TO THE UNITED KINGDOM

The Canadian statistics of exportation to the United Kingdom may usefully be considered at this point, bearing in mind that the exports from one country to another seldom coincide even approximately with the imports of the second country from the first in the same period because of a number of factors, of which one is the discrepancies arising from shipments being en route at the time the statistics are compiled, since a large shipment exported in December may not arrive until January and thus make for important differences in the annual statistics.

The following are the Canadian statistics of exports of canned fruit to the United Kingdom in the period January 1 to July 11, 1936, with the comparative data of the corresponding period of 1935 in parentheses: apples, 41,883 cases (42,108); loganberries, 2,570 (2,704); strawberries, 5 (850); other berries, 725 (110); peaches, 20,307 (2,958); pears, 36,231 (86,919); plums, 2,925 (8,612); cherries, 5,799 (2,661); grapefruit, 1,025 (1,550); and other fruits, 498 cases (665). The total shipped from Canada amounted to 133,698 cases in the first half of 1936 as compared with 175,472 cases in about the same period of 1935; the foregoing table indicates that the total arriving in the United Kingdom amounted to 142,411 cases in the first six months of 1936 as compared with 170,872 cases in the same period of 1935. Judging from the statistics of arrivals, the decline in imports from Canada took place in the months of February to May, inclusive; the monthly totals from Canada, with the 1935 data in parentheses, are: January, 52,143 cases (36,659); February, 13,561 (22,985); March, 12,542 (26,012); April, 6,974 (24,378); May, 29,986 (42,190); and June, 27,205 cases (18,648).

#### TENDENCIES OF THE MARKET

The exceptional increases in importations of canned apples, peaches, and apricots, as well as increases in the importations of pears and pineapples, have already been noted. There need be nothing abnormal in any of these changes, but they indicate an increasing demand, for bearing in mind that domestic production is also expanding appreciably, a development which, for example, probably explains in part the decreasing importations of cherries. Domestic production, the quality and prices of foreign suppliers, and fads, all bring about changes, but in general it is obvious that this market is capable of absorbing far greater supplies from Canada than are arriving at present, provided prices are competitive.

#### IMPROVEMENT OF HAY CROP IN ENGLAND

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, September 8, 1936.—In a recent report on the "Outlook for Canadian Hay in England" published in *Commercial Intelligence Journal* No. 1699 (August 22), page 383, it was stated that the weather up to the end of July had been so unfavourable in England that the farmers had left off mowing hay, as there was absolutely no hope of harvesting it, and that unless conditions improved there would be little English hay. At the end of the first week in August the weather cleared up and during the remainder of the month was exceptionally bright, with strong sun and generally good harvesting conditions. As a result considerable quantities of late meadow hays have been harvested in good condition, and this will help make good the deficiencies of the hay made in June and July, much of which was spoiled by rain. In particular the second cut of clover and mixtures, as a result of the wet weather since the first cut and the subsequent hot sun, has been almost as heavy as the normal first cut.

#### PRESENT SITUATION

The local position is thus considerably improved from first expectations of a failure, especially regarding quality. While the first crop was decidedly limited and of inferior quality, farmers have fair supplies of hay now on hand and will probably be able not only to satisfy their own needs but to market a moderate surplus for the ordinary requirements of the trade.

In general therefore, so far as the English consumer is concerned, the situation is much easier, and prices will not be so firm as first anticipated. This has already been reflected by a decrease in Canadian quotations of 2s. 6d. to 4s. It is not considered that Canadian imports can by any means be dispensed with, but, on the other hand, it is now fairly definite that the prospective high prices and strong sellers' market which appeared possible a month ago will not prevail to the degree expected.

**MARKET FOR ASBESTOS FIBRE IN AUSTRALIA**

M. T. STEWART, ACTING TRADE COMMISSIONER

Melbourne, July 24, 1936.—Australia is an important consumer of asbestos fibre, the local manufacturing industry having expanded very materially during the past few years. Following are the import statistics of asbestos fibre for the past two fiscal years:—

*Australian Imports of Asbestos Fibre*

Country of Origin	1933-34		1934-35	
	Cwt.	£	Cwt.	£
United Kingdom.. . . .	57	143	2,007	1,865
Canada.. . . .	8,378	5,801	18,205	11,047
Rhodesia .. . . .	893	963	4,466	4,765
Union of South Africa .. . . .	26,298	27,242	43,077	42,592
Other British countries .. . . .	55	303	72	206
Foreign countries .. . . .	64	86	196	132
Total imports .. . . .	35,745	34,538	68,023	60,607
Importing States				
New South Wales.. . . .	33,029	32,039	42,363	38,830
Victoria .. . . .	893	963	17,083	13,434
Western Australia .. . . .	1,823	1,536	8,577	8,343

**CONSUMPTION**

The greater proportion of the crude asbestos imports are for the manufacture of asbestos cement products, such as flat building sheets and corrugated roofing sheets, asbestos cement piping, etc.

There are three firms manufacturing asbestos cement sheets and other products in Australia, the largest operating plants in Sydney, Brisbane, Melbourne, and Perth, the next in importance operating plants in Sydney and Melbourne with a plant in Brisbane in the course of construction, and the third firm, a relatively new organization, manufacturing only in Sydney. There are several smaller firms supplying other miscellaneous asbestos products such as packing, pipe coverings, etc., but the bulk of the crude asbestos imports undoubtedly goes into the asbestos cement sheet manufacturing industry.

The use of crude asbestos in Australia in connection with the asbestos cement sheet industry is capable of a very substantial increase. The three companies at present in operation are enjoying a very satisfactory business, and considerable developments are anticipated in the use of corrugated cement sheet roofing to replace corrugated sheet metal. It is doubtful if there is any other country in the world where corrugated sheet metal has been used for general roofing and building purposes to such an extent as it has in Australia, and the manufacturers of asbestos cement corrugated sheet state that they have definitely established the superiority of their product over sheet metal and they believe they have an assured and increasing field to exploit in this direction.

In the opinion of the trade a 50 per cent increase over the present consumption of crude asbestos is quite probable within the next five years. Asbestos cement piping for sewerage and gas conductors, both mains and small pipes, of from 1 inch upward are coming into general favour, and this business may develop to substantial proportions.

**GRADES AND PRICES**

As indicated by the import statistics, South Africa is Canada's chief competitor among suppliers of crude asbestos to Australia. Russian asbestos is not imported, and the various local deposits which have been investigated to date have not proved very well suited to the requirements of the asbestos cement sheet industry. South African asbestos fibre enjoys considerable favour in Australia, because it can be landed rather cheaper than the equivalent qualities from Canada.

Accurate details of the various grades of asbestos fibres in use and their prices are difficult to obtain and in any case the Australian users of crude asbestos are fairly conversant with the qualities obtainable from Canada; were it not for the price advantage enjoyed by the South African producers, the Dominion's share of the trade would be much larger.

It is generally agreed that the Canadian asbestos fibre makes an excellent asbestos cement sheet of a uniform grey colour which is perfectly satisfactory for the Australian requirements. Grade "S" (4-K) is chiefly used for the manufacture of asbestos cement sheets and the landed cost in Australia of the Canadian product is about £14 per ton sterling currency value, the price at the mine in Quebec to the buyers being about \$50 per ton of 2,000 pounds. Asbestos from South Africa of roughly equivalent quality can be landed somewhat cheaper. Other qualities are required for specific manufacturing purposes and price varies according to the qualities required and the quantities purchased.

The market in Australia for miscellaneous asbestos products completely manufactured may not be capable of an important increase, and with the exception of asbestos brake and transmission linings this section of the market is not of great interest to Canadian manufacturers. There is, however, an opportunity for Canadian manufacturers of brake linings, and in view of the recent restrictions imposed by the Australian Government on foreign imports, which include brake linings from the United States, competitive offerings from Canada would be received with interest.

Details of the imports of various asbestos products into Australia for the last two fiscal years are available to interested Canadian firms on application to the Department of Trade and Commerce, Ottawa.

## TRADE OF TRINIDAD AND TOBAGO, 1935

W. F. BULL, CANADIAN TRADE COMMISSIONER

Port of Spain, September 7, 1936.—The British Crown Colony of Trinidad and Tobago is the largest in area of any of the island colonies of the Eastern Group of the British West Indies and economically the most important unit in this territory. In addition to tropical agricultural products—sugar, cocoa, coconuts, coffee, citrus fruit, etc.—Trinidad is the largest producer of crude oil in the British Empire and the source of most of the natural asphalt used throughout the world.

### BUSINESS CONDITIONS

For the third year in succession sugar was the most valuable agricultural crop, and the total production of 117,780 tons exceeded the output for 1934 and was considerably above the average annual production for the colony. Prices continued at record low levels; however, due to improvements in the efficiency of operation of estates and refineries most of the companies had a profitable year.

The cocoa industry recovered some of the ground lost in the previous year and, with production at approximately 45,000,000 pounds, was only slightly below the average for the past five years. Prices continued low throughout the year but were offset in part by the Government cocoa subsidy scheme which provided a free grant of one cent a pound based on production. It is expected that \$2,500,000 will be distributed over the next four years through the scheme in an effort to keep this once valuable industry solvent.

Total production of crude oil at 11,671,147 barrels was a record for this colony and one of the chief factors responsible for a general improvement in business. Good progress was made on the Central Water Supply scheme, and this undertaking, which will cost some \$5,000,000, should be completed during 1936. Work on the deep water harbour, which was begun early in 1935, is being

continued. These two public undertakings have given considerable employment and have assisted general business conditions. They have not, however, affected Canadian trade directly as they are financed in part by the Colonial Development fund, and only United Kingdom imported materials are used whenever available.

### FINANCIAL CONDITIONS

The financial position of the colony remained satisfactory. The revenue for the year amounted to \$8,692,699 and the expenditure, including a transfer of \$422,077 to the Reserve Fund, to \$8,682,708. The year's working thus produced a surplus of \$9,991, which, added to the existing balance gave an accumulated surplus of \$2,687,378.20. The Public Debt of the colony amounted to \$20,366,366 at the beginning of the year, but was reduced by redemptions to \$16,689,168 by the end of December. The necessary money for these redemptions was drawn from the sinking fund.

### TOTAL TRADE AND SHIPPING

During 1935, 4,802 vessels of all kinds entered and cleared from the four ports of this colony. This was a decrease of 62 in number and 98,636 in tonnage as compared with the previous year. There is a large schooner trade with Venezuela, the Guianas, and the Northern islands and, as a result, sailing vessels accounted for 35 per cent of the clearances. Regular passenger and freight services were maintained from Montreal, Halifax, Saint John, Vancouver, New York, Gulf ports, Central and South American ports, the United Kingdom, and most Continental and Mediterranean ports. As a result of these regular direct sailings, Trinidad continues to be the most competitive and cosmopolitan market in this area. Due to disturbed conditions in the Mediterranean there was an important increase in the number of tourists and tourist liners calling at Port of Spain.

The total trade of the colony, exclusive of transshipments but including ships' stores and bunkers, amounted to \$45,089,217, a reduction of \$1,746,212 as compared with 1934. This reduction is more than accounted for by the smaller trade in Venezuelan Toncea beans, imports of which were valued at \$80,653 in 1935 as compared with \$1,303,421 in the previous year. Including transshipments the total trade of the colony in 1935 was valued at \$55,071,065. There was an important increase in the imports of cotton manufactures, oils, machinery, grain, flour and pulse, meat and cement, and decreases in the imports of Toncea beans, raw cocoa, metal manufactures and cattle. Due to increased production there were increases in the exports of cocoa, sugar, asphalt, grapefruit, kerosene, and molasses. Exports of the following were lower than in the previous year: fuel oil, crude petroleum, motor spirit, copra, coconuts, and lime oil.

The following table lists the value of imports, total exports and the total trade for the calendar years 1935, 1934, and 1933, exclusive of transshipments:—

	1935	1934	1933
Imports .. . . .	\$20,985,849	\$21,534,077	\$19,208,261
Exports .. . . .	24,103,368	25,301,352	22,072,421
	<hr/> \$45,089,217	<hr/> \$46,835,429	<hr/> \$41,280,682

### IMPORT TRADE

The value of imports in 1935, exclusive of transshipments, amounted to \$20,985,849, a decrease of \$548,228 from the previous year's figures. However, if Toncea beans, which are imported from Venezuela and processed in Trinidad prior to export, are excluded from the figures, the import trade in 1935 actually exceeded that of 1934 by \$674,540. There was great activity in the

oil industry; several new companies entered the field and the old companies enlarged their operations. A record number of new wells were drilled during the year—2,245 with a total footage of 436,299 feet. As a result of this activity the importation of machinery greatly increased and reached the highest value in the past five years—\$2,805,039.

Due to improved prices imports of flour, the second most important item in the import trade of this colony, increased to \$1,469,227. Other large imports in order of importance were: metal manufactures, \$1,250,597; cotton piece-goods, \$1,075,838; rice, \$825,792; wood and timber, \$601,397; condensed milk, \$472,194; motor cars, lorries and vans, \$401,715; dried fish, \$361,040. Imports from Empire sources accounted for 65·69 per cent of the total in 1935, a percentage increase of 7·10 over the previous year.

#### DISTRIBUTION OF IMPORT TRADE

The United Kingdom continued to be the chief source of supply of imports for this colony with goods valued at \$9,083,588, the highest figure for the past ten years and 44·16 per cent of the total imports. The figures for the previous year were \$8,381,357, 39·6 per cent of the total imports. Imports of mining, sugar, and other kinds of machinery from this country amounted to \$1,636,078, a small decrease as compared with the previous year when imports were valued at \$1,693,128, but well above the average of recent years. The other important items supplied by the United Kingdom were: cotton piece-goods, \$995,761 (\$586,301 in 1934); metal manufactures, \$992,900 (\$1,266,259); flour, \$634,270 (\$483,230); cement, \$288,758 (\$221,606); boots, shoes, and slippers, \$255,803 (\$210,782); woollen manufactures, \$209,987 (\$159,384). The importation of flour from the United Kingdom continues to show a steady increase and last year almost the entire requirements of counter flour, i.e., low-grade supers and extras, were drawn from that source. Canadian bakers' grades control the quality market; but due to the difference in price an increasing quantity of low-grade flour is being used. The Government imported, free of duty, goods to the value of \$1,077,600 in 1935, the bulk of these purchases being in the United Kingdom.

The United States, the second most important exporter to Trinidad, supplied goods worth \$3,282,624 in 1935 (15·96 per cent of the total) as compared with \$2,970,206 (14·05 per cent of the total) in 1934. The chief commodities imported from this country were: mining and other types of machinery, \$948,113 (\$878,485 in 1934); metal manufactures, \$183,407 (\$110,165); coal, \$149,764 (\$20,453); electrical apparatus, \$123,205 (\$117,047); implements and tools, \$97,892 (\$90,941).

#### IMPORTS FROM CANADA

Imports from Canada showed a satisfactory increase and amounted to \$2,503,958 in 1935 as compared with \$2,325,624 in 1934. The percentage of the total imports also increased during the period from 11 in 1934 to 12·17 in 1935. Although the total value of imports from the Dominion exceeded that of each of the preceding three years, it was still considerably below the average total for the past ten years. There were important increases in the importation of fresh vegetables, paper manufactures, and oats from Canada, but imports of flour reached a new low point. The leading items imported were as follows: flour, \$820,267 (\$871,103 in 1934); dried, salted, smoked, or pickled fish, \$251,809 (\$244,603); motor cars, lorries, and vans, \$248,192 (\$250,128); fresh vegetables, \$109,279 (\$46,253); wood and timber, \$141,966 (\$173,337); oats, \$69,145 (\$48,418); paper manufactures, \$59,805 (\$34,099).

#### EXPORT TRADE

The value of domestic exports at \$22,774,699, including \$3,294,504 for ships' stores and bunkers, exceeded the total for 1934 by \$536,909. This was due to increased exports of cocoa, asphalt, sugar, and grapefruit. There was a

decrease in the value of exports of petroleum products from a high of \$14,056,128 in 1934 to \$13,321,708 in 1935. This group accounted for 59 per cent of the total exports in the latter year as compared with 63·2 per cent in 1934. Sugar exports were valued at \$4,522,421 (19·7 per cent of the total), an increase over the previous year's total of \$4,397,914 (19·9 per cent). Cocoa exports also increased in value to \$2,530,622 (11 per cent of the total) from \$1,678,351 (7·5 per cent) in 1934. Exports of asphalt increased from a value of \$797,050 in 1934 to \$1,092,982 in 1935, and grapefruit from \$89,443 to \$203,872 in 1935.

The United Kingdom was the colony's best customer, a position which this country has held for the past four years largely due to her imports of petroleum products. Total exports to the United Kingdom in 1935 were valued at \$8,677,596 (41·8 per cent of the total) as compared with \$8,779,848 (42·1 per cent) in 1934. The largest individual item in this trade was motor spirit, exports of which were valued at \$4,128,160, an increase over the 1934 figures of \$3,644,270. Fuel oil exports were valued at \$436,287 (\$100,262 in 1934); and crude oil, \$231,788 (\$246,226). Exports of sugar to the United Kingdom were considerably reduced in view of the heavy movement of sugar to Canada, and the total value only amounted to \$2,584,324 as compared with \$3,591,734 in 1934. Asphalt exports were higher at \$668,017 as compared with \$568,301 in 1934.

Canada was the second best customer and took exports valued at \$2,535,924, more than double the total value for 1934, \$1,204,108. The percentage increase was even more marked, amounting to 12·2 per cent of the total against 5·8 per cent in 1934. Exports of sugar were valued at \$1,937,902, a decided increase over exports in 1934 of \$806,141. Exports of cocoa, molasses, and coffee were also increased as follows: cocoa, \$344,497 (\$154,915 in 1934); molasses, \$83,660 (\$13,498); coffee, \$67,580 (\$39,768). There was no sale of petroleum products to Canada last year, as the bulk of the local production was disposed of in the United Kingdom. Excluding petroleum, Canada took 33·57 per cent of all other products exported from Trinidad.

The United States took a much smaller quantity of Trinidad products in 1935, amounting in value to \$2,211,616 (10·6 per cent) as compared with \$3 342,307 (16·1 per cent) in 1934. This reduction is due to reduced imports of Tonca beans and a smaller movement of petroleum products. The bulk of the Trinidad crop of raw cocoa was sold in the United States, and exports in 1935 were valued at \$1,080,771 as compared with \$760,248 in 1934. Asphalt exports were valued at \$411,559 as compared with \$130,994 in 1934.

TRADE WITH CANADA

Canada increased her total volume of trade with the colony of Trinidad and Tobago during 1935, both imports and exports exceeding the total of the previous year. The figures for the past three years are as follows:—

	1935	1934	1933
Imports . . . . .	\$2,503,958	\$2,325,624	\$2,307,466
Exports . . . . .	2,535,924	1,204,109	2,179,266
	\$5,039,882	\$3,529,733	\$4,486,732

The balance of trade was slightly in favour of Trinidad. Imports from Canada into this colony and exports to the Dominion more closely balance than in the case of the other units of this territory where sugar is the leading product exported. For many years Canada has been the leading source of supply for foodstuffs and, although exports of flour have fallen 45 per cent in the last eight years due to competition from English millers, she still held this lead in 1935, and under the general heading of "food, drink, and tobacco" supplied imports valued at \$1,507,552, 60 per cent of the total imports from Canada into the colony.

Flour was the largest single item, and during the year under review 162,631 barrels valued at \$820,267 were shipped as compared with 194,113 barrels valued at \$871,013 in 1934. In 1928 Canada supplied 99 per cent of the total flour requirements of this colony—309,271 barrels valued at \$2,102,721. In recent months Canadian quotations have been more attractive, and when the figures for 1936 are available they should show a decided improvement in the position of Canada as a supplier of flour to Trinidad. There was a decrease in the volume but an increase in the value of dried, salted, smoked or pickled fish, and in 1935 Canada supplied 3,939,600 pounds valued at \$251,809 as against 4,031,774 pounds valued at \$244,603 in 1934. This item is composed almost entirely of prime Nova Scotia dried codfish as very small quantities of pickled fish are used in this colony. Imports of canned fish showed an important increase from 231,076 pounds valued at \$28,176 in 1934 to 400,176 pounds valued at \$45,953 in 1935. This increased consumption of canned fish reflects an improvement in the general purchasing power of the working people of the colony, as imports under this heading are composed almost entirely of Canadian chum salmon and low-priced sardines.

There was a reduction in the number of motor cars, lorries, and vans imported in 1935, however, due to the tendency to purchase de luxe models. The total value was only \$2,000 less than that reported for the previous year, the respective figures being 417 units valued at \$248,192 and 445 units valued at \$250,128. The small baby-type English motor cars continue to sell in fair quantities owing to their low first cost, lower licence fees and economy of operation. Gasolene is retailed at 38 cents a gallon (18 cents government tax), and licences range from \$15 for a car weighing less than 1,600 pounds gross, to \$58 for a car weighing more than 3,600 pounds.

In February, 1935, the preference on potatoes and onions was increased, with the result that Canadian shippers were able to offer more attractive landed prices than Dutch shippers, and exports of fresh vegetables were increased in value from \$46,253 in 1934 to \$109,279 in 1935. With the exception of the months of July and August, when stocks were not available, Canadian shippers controlled this market.

There is an increasing number of Canadian manufactured products being sold in this market, and, although Canada gets a very small share of the two largest items—cotton piece-goods and machinery—her share in this trade is improving. The bulk of the full-fashioned silk hosiery is of Canadian manufacture, and other items of apparel such as shirts, ladies' dresses and hats, buttons, lingerie, etc., are selling in increasing quantities. Quotations on steel products have been more attractive, and in view of the excellent delivery service provided by several Canadian shippers, a start was made with the valuable oilfield supply trade. This business should grow, and under favourable conditions it is reasonable to expect an important improvement in Canada's share of total imports in 1936.

#### COMMODITIES OF INTEREST TO CANADIAN EXPORTERS

The following statistics list the principal articles imported into Trinidad, which are of interest to Canadian exporters. In each case the total importation is given first for 1935 and then in parenthesis for 1934:—

*Oats*.—Total, 41,887 cwts., \$78,491 (36,901 cwts., \$62,582): Canada, \$69,145; United Kingdom, \$7,045; New Zealand, \$2,259.

*Rice*.—Total, 368,457 cwts., \$825,792 (384,928 cwts., \$788,457): British East Indies, \$647,155; British Guiana, \$162,096; Siam, \$15,978.

*Beans and Peas*.—Total, 25,981 cwts., \$85,610 (27,902 cwts., \$97,459): United Kingdom, \$65,549; Chile, \$5,376; Holland, \$3,821; Morocco, \$2,275; British East Indies, \$2,043; Canada, \$269.

*Wheat Meal and Flour*.—Total, 584,556 cwts., \$1,469,227 (594,559 cwts., \$1,383,864): Canada, \$820,267; United Kingdom, \$634,270; Germany, \$9,191; Holland, \$3,052; United States, \$1,000.

*Cornmeal*.—Total, 6,246 cwts., \$15,063 (7,923 cwts., \$18,926): Canada, \$13,543; United States, \$953; United Kingdom, \$557.

*Manufactured Cereals*.—Total, 3,357 cwts., \$34,417 (new classification): Canada, \$17,471; United States, \$11,891; United Kingdom, \$2,631; China, \$978.

*Linseed Cake and Meal*.—Total, 2,003 tons, \$66,739 (1,685 tons, \$48,370): United States, \$66,739.

*Beef and Veal, Pickled or Salted*.—Total, 11,694 cwts., \$76,815 (new classification): Argentina, \$64,774; Uruguay, \$5,706; Brazil, \$4,817; Canada, \$201.

*Beef and Veal, Smoked or Cured*.—Total, 6,501 cwts., \$42,328 (new classification): Brazil, \$32,524; Venezuela, \$5,497; Argentina, \$2,919.

*Pork, Pickled or Salted*.—Total, 14,034 cwts., \$135,709 (new classification): Brazil, \$49,942; United States, \$35,241; Argentina, \$28,171; Canada, \$21,015.

*Bacon and Ham*.—Total, 4,715 cwts., \$91,426 (6,375 cwts., \$104,328): Argentina, \$26,305; United States, \$23,148; United Kingdom, \$17,596; Brazil, \$12,795; Denmark, \$6,620; Canada, \$1,748.

*Butter*.—Total, 11,250 cwts., \$277,910 (13,934 cwts., \$313,992): United Kingdom, \$100,463; Irish Free State, \$57,297; France, \$42,715; New Zealand, \$42,460; Australia, \$19,065; Canada, \$4,492.

*Cheese*.—Total, 4,367 cwts., \$74,787 (4,090 cwts., \$67,938): Canada, \$56,703; New Zealand, \$7,552; Holland, \$3,597; Switzerland, \$1,847; United Kingdom, \$1,001.

*Milk, Condensed or Otherwise Preserved*.—Total, 53,957 cwts., \$472,059 (49,092 cwts., \$454,603): Holland, \$198,428; United Kingdom, \$198,423; Denmark, \$47,136; Irish Free State, \$11,611; Canada, \$10,923.

*Apples*.—Total, 3,231 cwts., \$16,381 (2,303 cwts., \$13,003): Canada, \$8,931; United States, \$7,437; United Kingdom, \$13.

*Onions*.—Total, 50,114 bushels, \$54,564 (new classification): Argentina, \$17,570; Portugal, \$16,167; Holland, \$7,027; Canada, \$6,712.

*Potatoes*.—Total, 75,328 cwts., \$110,013 (77,977 cwts., \$115,334): Canada, \$95,120; Holland, \$11,127; Portugal, \$1,735.

*Vegetables, Other Sorts*.—Total, 37,096 cwts., \$62,081 (\$69,854): British West Indies, \$19,751; British Guiana, \$17,438; Venezuela, \$14,635; Canada, \$7,447.

*Beer*.—Total, 1,432 barrels of 36 gallons, \$49,454 (new classification): United Kingdom, \$38,369; Canada, \$3,706; Holland, \$3,008.

*Chocolate Confectionery*.—Total, 696 cwts., \$25,147 (new classification): United Kingdom, \$21,500; Canada, \$3,108; United States, \$367.

*Fish, Cod, Cured or Salted*.—Total, 47,282 cwts., \$310,417 (new classification): Canada, \$221,034; Newfoundland, \$78,516; United Kingdom, \$10,663.

*Fish, Other Sorts*.—Total, 5,576 cwts., \$40,075 (new classification): Canada, \$29,005; United Kingdom, \$5,457; China, \$1,963.

*Fish, Canned*.—Total, 4,821 cwts., \$70,295 (3,244 cwts., \$50,880): Canada, \$45,953; United States, \$17,045; United Kingdom, \$1,869.

*Vegetables, Canned or Preserved*.—Total, 1,498 cwts., \$19,750 (1,258 cwts., \$16,651): Canada, \$7,226; China, \$3,793; United Kingdom, \$3,402; United States, \$2,761.

*Tobacco, Unmanufactured Leaf, Containing less than 25 per Cent of Moisture*.—Total, 686,167 lbs., \$167,325 (771,792 lbs., \$171,460): United States, \$136,740; Puerto Rico, \$18,095; British East Indies, \$8,696; Union of South Africa, \$3,067; Dutch East Indies, \$486.

*Douglas Fir, Undressed*.—Total, 204,900 cu. ft., \$60,148 (2,523,927 f.b.m., \$72,326): Canada, \$60,148.

*Pitch Pine, Undressed*.—Total, 356,150 cu. ft., \$161,952 (3,219,852 f.b.m., \$146,942): United States, \$161,952.

*Other Kinds, Undressed*.—Total, 57,900 cu. ft., \$17,742 (524,833 f.b.m., \$22,872): Canada, \$17,742.

*Douglas Fir, Dressed*.—Total, 82,350 cu. ft., \$27,889 (1,651,188 f.b.m., \$56,136): Canada, \$27,889.

*Pitch Pine, Dressed*.—Total, 289,700 cu. ft., \$143,098 (2,780,809 f.b.m., \$133,622): United States, \$143,098.

*Other Kinds, Dressed*.—Total, 105,800 cu. ft., \$43,157 (610,525 f.b.m., \$29,673): Canada, \$43,117.

*Shooks, Staves, and Headings, Other than Oak*.—Total number, 7,657,896, \$100,816 (\$94,718): United States, \$65,382; Canada, \$34,300; British Guiana, \$650.

*Cement*.—Total, \$26,976 tons, \$339,741 (20,959 tons, \$267,820): United Kingdom, \$288,758; Germany, \$23,886; Canada, \$21,953.

*Iron and Steel Bars and Rods*.—Total, 929 tons, \$45,425 (new classification): United Kingdom, \$26,260; Belgium, \$11,071; Germany, \$5,375; Canada, \$2,023.

*Iron and Steel Angles, Shapes and Sections, Girders, Beams, Joists, and Pillars*.—Total, 4,022 tons, \$203,898 (new classification): United Kingdom, \$194,598; United States, \$6,081; Belgium, \$1,542; Canada, \$940.

*Tubes, Pipes, and Fittings*.—Total, 3,481 tons, \$290,209 (new classification): United Kingdom, \$218,508; United States, \$48,859; Czechoslovakia, \$15,221; Canada, \$4,011.

*Wire Nails and Staples.*—513 tons, \$28,956 (new classification): Canada, \$20,593; United States, \$4,223; United Kingdom, \$3,500.

*Bolts and Nuts, Rivets and Washers, Screws, Nails (other than Wire Nails), and Tacks.*—Total, 237 tons, \$38,463 (new classification): United Kingdom, \$28,056; United States, \$4,502; Canada, \$2,442; Belgium, \$2,016.

*Furniture of Metal (including Office Furniture) and Parts thereof, not elsewhere specified.*—Total, 242 tons, \$68,412 (new classification): United Kingdom, \$25,471; United States, \$25,402; Canada, \$16,874.

*Hardware, Other than Hollowware, not elsewhere specified.*—Total, \$3,672 cwts., \$74,099 (new classification): United Kingdom, \$36,824; United States, \$16,532; Germany, \$11,539; Sweden, \$3,966; Canada, \$1,831.

*Machinery, Oil Mining and Refining.*—Total, 2,142 tons, \$690,273 (new classification): United States, \$471,357; United Kingdom, \$186,090; Holland, \$16,905; Germany, \$10,406; Canada, \$3,117.

*Furniture and Cabinetry, including Parts.*—Total, \$53,206 (new classification): Germany, \$11,785; United Kingdom, \$11,614; Poland, \$10,052; Canada, \$8,217.

*Shirts.*—Total, \$87,484 (\$26,126 as from June 16, 1934): United Kingdom, \$36,415; Japan, \$24,762; Canada, \$17,238.

*Shorts and Vests (Men's).*—Total, \$60,058 (\$9,988 as from June 16, 1934): Hongkong, \$44,709; United Kingdom, \$6,393; Canada, \$4,586; Japan, \$3,512.

*Leather Boots, Bootees, Shoes, Overshoes, Slippers, and Sandals of all Descriptions, not elsewhere specified.*—Total, 21,656 dozen pairs, \$292,049 (29,741 dozen pairs, \$316,368): United Kingdom, \$246,813; Czechoslovakia, \$31,051; Japan, \$5,938; United States, \$3,310; Canada, \$1,985.

*Hats, Caps, and Other Headgear, Trimmed and Untrimmed.*—Total, 38,688 dozen, \$122,118 (\$116,889): United Kingdom, \$79,400; Japan, \$15,465; Italy, \$13,938; Canada, \$4,363; United States, \$3,800.

*Hosiery, Silk.*—Total, 3,366 dozen pairs, \$18,875 (2,430 dozen pairs, \$12,758): Canada, \$16,771; United Kingdom, \$1,914.

*Hosiery, Artificial Silk.*—Total, 27,922 dozen pairs, \$44,789 (28,328 dozen pairs, \$48,974): United Kingdom, \$29,174; Canada, \$7,886; Hongkong, \$7,193.

*Proprietary Medicines.*—Total, \$120,382 (new classification): United Kingdom, \$57,114; United States, \$36,707; Canada, \$16,225; France, \$7,038.

*Motor Cars.*—Total number 496, \$306,833 (number 425, \$269,400): Canada, \$188,905; United Kingdom, \$90,475; United States, \$26,611.

*Lorries and Vans.*—Total number 151, \$94,882 (number 61, \$34,948): Canada, \$59,287; United States, \$19,677; United Kingdom, \$15,918.

*Tires, Pneumatic Outer Covers.*—Total number 7,992, \$79,026 (new classification): Canada, \$39,264; United Kingdom, \$21,926; United States, \$17,836.

*Chassis.*—Total number 103, \$57,358 (number 176, \$91,392): Canada, \$31,971; United Kingdom, \$18,477; United States, \$6,910.

*Rubber-soled Shoes.*—Total, 21,428 dozen pairs, \$80,878 (14,621 dozen pairs, \$63,312): Hongkong, \$34,273; Canada, \$29,262; United Kingdom, \$7,751; British East Indies, \$4,785.

*Sulphate of Ammonia.*—Total, 5,957 tons, \$194,064 (5,151 tons, \$165,950): United Kingdom, \$165,684; United States, \$28,380.

## TRADE OF THE GOLD COAST, 1935

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Liverpool, September 1, 1936.—Considerable expansion both in exports and imports is reported by the Comptroller of Customs for the Gold Coast in his trade review for 1935. Increased purchasing power, the direct result of the better prices paid during the year for the agricultural products of the colony, and the continued development and activity in the mining industry have brought about a state of returning prosperity.

### IMPORTS

The value of imported merchandise for the year amounted to £7,375,934, being £2,985,630 or 68 per cent more than for 1934. The principal increases occurred in cigarettes, rice, canned meats, flour, canned and smoked fish, sugar,

leaf tobacco, biscuits, motor cars and parts, mining machinery, cotton piece-goods, artificial silk manufactures, bags and sacks, electrical machinery, corrugated iron sheets, cement, medicines and drugs, rubber tires, motor spirit, and rolling stock.

Canada's interest in the import trade is concerned chiefly with the supply of motor cars and lorries, flour, rubber tires, and canned fish.

As in 1934 the imports of motor cars and lorries from the United States outnumbered those from all other countries. Out of a total of 235 new cars imported, 113 were from the United States, 87 from the United Kingdom, and 30 from Canada. Comparative figures for 1934 were 141, 62, 68, and 10. Out of 1,511 new lorries imported in 1935 the United States supplied 1,098, Canada 205, and the United Kingdom 201; the respective figures for 1934 were 494, 349, 37, and 108. During 1935 the imports of second-hand vehicles totalled 188 cars and 4 lorries as compared with 185 cars and no lorries in 1934.

Total flour imports increased in value from £76,197 in 1934 to £95,860 in 1935. The United States was again by far the leading supplier, being credited with £67,045 as against £56,235 in 1934. Canada, the only other important shipper, increased her share of the trade from 24 per cent to 28 per cent, supplying to the value of £26,521 as compared with £18,325 in the previous year. This improvement was at the expense of the United States millers, whose percentage of the import value fell from 74 to 70. While detailed Canadian statistics are not yet available, it is known that a large proportion of Canadian flour shipped to British West Africa is routed via United States ports, and it is therefore reasonable to assume that a considerable portion of the flour credited in the Gold Coast statistics to the United States is of Canadian origin.

With the rise in imports of motor vehicles there was an increase in those of rubber tires, the total value of shipments in 1935 reaching £94,724 as compared with £65,816 in 1934. From fourth position as a supplier of this commodity in 1934 Canada moved to third in 1935. The values credited to the supplying countries are as follows: United Kingdom, £36,422 (£29,873 in 1934); United States, £20,378 (£16,547); Canada, £17,554 (£3,018); France, £16,096 (£14,664); Japan, £941 (£328).

Canada's place in the trade in canned fish remains a comparatively small one. While the total quantities imported during the year reached 31,069 cwt., representing an increase of 9,248 cwt. over 1934, arrivals from Canada fell from 720 cwt. to 363 cwt. Of the total amount in 1935, the United States shipped 19,299 cwt.; Portugal, 8,446 cwt.; Russia, 1,641 cwt.; and the United Kingdom, 343 cwt.

The only commodities of importance to register decreased imports were salt and water boring and pumping machinery.

## EXPORTS

The value of the export trade in 1935 was the highest since 1930, there being increased sales of cocoa, gold bullion, manganese, timber, palm kernels, rubber, kola nuts, and lime juice. The quantity of cocoa exported was the largest ever recorded for the colony, accounting for 56 per cent of the domestic trade. The average f.o.b. price of cocoa was approximately £1 16s. per ton higher than in 1934, reaching £19 8s. per ton.

The total value of domestic exports in 1935 was £9,240,894 as compared with £7,849,523 in the previous year—an increase of £1,391,371 or 17·7 per cent. The value of cocoa exported increased from £4,040,697 to £5,203,959; of gold from £2,421,595 to £2,635,527; and of manganese ore from £480,881 to £612,170. The export value of diamonds fell from £756,816 to £546,094.

## DISTRIBUTION OF TRADE

For 1935 the United Kingdom is credited with 57·33 per cent (57·10 per cent in 1935) of the total import trade of the Gold Coast and 55·79 per cent (56·79 per cent) of the export trade. Other participating countries of importance with their percentages of total imports and exports respectively for 1935 were as follows: United States, 10·27 and 15·91; Germany, 5·76 and 13; Netherlands, 3·39 and 5·80; Japan, 3·14 and 0·03; Czechoslovakia, 2·25 and nil; Italy, 1·47 and 1·83; Belgium, 1·42 and 0·86; and France, 1·12 and 0·83.

## TRADE WITH CANADA

The value of Canadian goods shipped to the Gold Coast in 1935 totalled £82,713, nearly 90 per cent of which was accounted for by motor cars, flour, and rubber tires. In 1934 the total reached £33,262. These values represented 1·12 per cent and 0·75 per cent respectively of the import trade of the Colony.

Cocoa and manganese ore made up the only exports of any importance from the Gold Coast into Canada. In 1935 the quantities involved were 2,717 and 29,882 tons respectively, representing a total value of £94,139.

## TRADE OF HONGKONG, JANUARY TO JUNE

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(HK\$1 equals \$0.32 Canadian)

Hongkong, August 12, 1936.—Statistics just published covering the trade of Hongkong for the first six months of 1936 show that the combined declared values of imports and exports of merchandise amounted to HK\$375,700,000 as compared with HK\$333,900,000 for the corresponding period of 1935—an increase of HK\$41,800,000 or 12 per cent.

Imports were valued at HK\$212,200,000 as against HK\$191,200,000 for the first half of 1935—an increase of HK\$31,000,000 or 11 per cent; while exports were recorded at HK\$163,500,000 as against HK\$142,700,000—an increase of HK\$20,800,000 or 14·6 per cent.

The following table gives the total values of imports and exports by principal countries for the first six months of 1936 and 1935:—

	Imports		Exports	
	January-June 1936	1935	January-June 1936	1935
Thousands of Hongkong Dollars				
United Kingdom.. . . .	13,536	12,401	6,009	3,270
Australia .. . . .	3,935	4,273	791	667
Canada .. . . .	1,850	1,941	1,062	842
India .. . . .	1,956	3,140	1,951	1,154
Br. Malaya .. . . .	3,069	3,543	11,392	8,614
Belgium .. . . .	2,844	3,093	924	223
North China .. . . .	31,993	32,831	11,002	11,477
Middle China .. . . .	3,632	3,382	9,139	9,887
South China .. . . .	33,720	22,147	51,625	55,923
French Indo-China .. . . .	15,556	22,134	7,991	8,582
Germany .. . . .	11,766	7,598	1,538	891
Holland .. . . .	1,174	1,702	868	257
Japan .. . . .	26,062	22,038	7,391	5,272
Kwongchow .. . . .	2,756	1,875	4,875	4,369
Macao .. . . .	2,945	3,098	6,281	7,317
Norway .. . . .	242	376	6	14
Netherlands India .. . . .	15,365	10,879	3,664	2,384
Siam .. . . .	16,414	12,035	7,069	5,148
Sweden .. . . .	1,828	497	48	63
United States .. . . .	16,706	14,248	13,138	9,137

Following are the percentage shares of the import trade of Hongkong credited to each of the chief countries of supply for the January-June period of 1936, comparative percentages for the corresponding period of 1935 being shown within parentheses: China, 32.7 (31.6); Japan, 12.3 (11.5); United States, 7.9 (7.4); Siam, 7.7 (6.3); Indo-China, 7.3 (11.6); Netherlands India, 7.2 (5.7); United Kingdom, 6.4 (6.5); Germany, 5.5 (4.0); Australia, 1.9 (2.2); British Malaya, 1.5 (1.9); Belgium, 1.3 (1.6); Canada, 0.9 (1.0); India, 0.9 (1.6).

### IMPORTS AND EXPORTS BY MAIN GROUPS

Increases in the imports into Hongkong during the first half of 1936, as compared with the corresponding period of 1935, occurred in eighteen of the twenty-three main groups, as follows: chemicals and drugs, Chinese medicines, dyeing materials, foodstuffs, hardware, liquors, machinery and engines, manures, metals, minerals and ores, nuts and seeds, oils and fats, paints, paper and paperware, piece-goods, vehicles, wearing apparel, and sundries; while the increases in exports occurred in sixteen of the twenty-three main groups, as follows: chemicals and drugs, Chinese medicines, hardware, liquors, machinery and engines, manures, metals, minerals and ores, oils and fats, paints, paper and paperware, railway materials, tobacco, vehicles, wearing apparel, and sundries.

The total values of each of the twenty-three main groups of imports and exports for the first half years of 1936 and 1935 are shown in the following table:—

#### *Imports and Exports by Main Groups*

	Imports		Exports	
	January-June 1936	1935	January-June 1936	1935
Figures in Thousands of HK\$				
Live animals . . . . .	3,808	4,130	69	123
Building materials . . . . .	3,252	3,562	1,694	1,883
Chemicals and drugs . . . . .	2,702	2,452	1,612	1,546
Dyeing materials . . . . .	2,676	2,455	1,522	1,688
Foodstuffs . . . . .	61,181	60,818	47,372	48,306
Fuels . . . . .	5,687	5,949	153	415
Hardware . . . . .	1,517	1,326	1,188	989
Liquors . . . . .	1,706	1,460	494	377
Machinery . . . . .	3,873	2,279	4,432	3,330
Manures . . . . .	4,900	1,456	5,189	3,076
Metals . . . . .	18,596	15,762	16,755	13,456
Minerals and ores . . . . .	1,081	930	4,192	912
Nuts and seeds . . . . .	2,818	2,549	1,686	1,690
Oils and fats . . . . .	18,932	16,405	14,545	12,163
Paints . . . . .	971	724	737	554
Paper and paperware . . . . .	7,183	4,206	3,651	2,910
Chinese medicines . . . . .	7,963	6,871	6,373	5,050
Piece-goods . . . . .	29,994	28,829	18,657	19,224
Railway materials . . . . .	52	226	998	391
Tobacco . . . . .	3,055	3,261	2,375	1,761
Vehicles . . . . .	3,491	1,551	2,284	1,182
Wearing apparel . . . . .	1,686	1,629	5,241	2,790
Sundries . . . . .	25,097	22,410	22,232	18,869

### EXCHANGE SITUATION

A measure of improvement in the trade of Hongkong is reflected by the above statistics, attributable in the main to the exchange stability which has characterized the currency situation during the past few months. Reviewing the benefits of exchange control some seven months after the establishment of a managed currency, it can be said that the measures have proven beneficial in so far as the Colony of Hongkong is concerned.

The problem, however, has not reached a final solution, owing to the recent instability exhibited by the provincial currencies of South China, which, though nominally bearing a relationship to the national currency of China, have in practice fluctuated widely and undergone a period of inflation during which the cost of foreign goods advanced to prohibitive levels. Whereas at the commencement of the year HK\$1,000 could be purchased for some Canton \$1,250, at the close of June the cost varied between Canton \$2,050 and Canton \$2,100.

The monetary situation in the other semi-autonomous province of the Southwest has been even more acute, with the Kwangsai dollar depreciating almost twice as rapidly as the Kwantung dollar to the point where Kwangsai \$2,600 was necessary to purchase Canton or Kwantung \$1,000.

Apart from the anticipated benefit of a stable exchange which the intervention of the Central Government may effect in the province of Kwantung, is the second and equally important prospect for the elimination of the excessive provincial import taxes which, when superimposed on the general level of the Chinese Maritime Customs duties, made the price of imported goods prohibitive in terms of the depreciated Canton currency. These so-called "nuisance" taxes, which have previously been a major source of revenue for the unofficial governments of the Southwest, will, it is anticipated, eventually be removed to the benefit alike of the consumer and of the Hongkong importer.

### WHEAT SITUATION IN PORTUGAL

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Milan, August 25, 1936.—According to figures published by the Instituto Nacional de Estatistica, the wheat crop of Portugal for 1935-36 is estimated at 228,000 tons as compared with 616,000 tons in 1934-35. Apart from the fact that about 25 per cent less wheat was sown in the current year, climatic conditions have been unusually unfavourable. The heavy and continued rains of last winter and spring caused heavy damage and resulted in much privation and suffering among the farming population.

Stocks of wheat on hand on July 31, 1935, amounted to 700,000 tons, of which 110,000 tons were exported. Of the balance, 303,000 tons were in stock on July 31 last, the balance having entered into consumption. If the estimate for the current year proves correct, there should be available for future requirements approximately 531,000 tons. As the annual domestic consumption is about 330,000 tons, there is no immediate fear of a shortage, since the carry-over to July, 1937, will approximate 200,000 tons to which must be added the proceeds of the 1936-37 crop.

### UNITED STATES MARKET FOR CHRISTMAS TREES

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

New York, September 9, 1936.—The Christmas tree still holds a prominent place in the Christmas festivities of the American home, and in spite of the increased sale of potted trees and rather costly artificial trees in the Eastern United States, there is a regular seasonal demand for trees cut in the provinces of Nova Scotia, New Brunswick, and Quebec. Domestic supplies are irregular and limited by embargoes on pest-infested areas which normally would furnish many of the trees required.

#### IMPORTS

While imports of Christmas trees from Canada have remained steady over a period of years, there have been marked increases during the past two seasons, shipments in 1935 totalled 3,573,642 (\$364,135) as against 3,681,439 (\$375,286) in 1934, 2,396,424 (\$244,565) in 1933, and 1,920,443 (\$175,089) in 1932.

Christmas trees from Eastern Canada find a market in most of the large cities of the Eastern United States that may be reached without prohibitive freight charges. New York is probably the main consuming centre—taking annually between 400 and 425 cars of from 1,500 to 2,000 trees—with Boston, Philadelphia, Detroit, Pittsburgh, and other points within these areas accounting for somewhat smaller quantities.

Established dealers in the Christmas tree trade usually send representatives to the various producing areas in Eastern Canada during the summer and autumn to contract for supplies and in some cases during the period of the cutting also. In addition to these firms there are a number of produce brokers who are willing to act as agents on commission for any firm or shipper who wishes to sell on consignment. This latter practice is not a financially sound one from the shippers' point of view because of the limited marketing period, which encourages price-cutting by the agent in order to secure his commission, and also because the shipper is obliged to pay freight charges amounting to about \$215 per car of 30,000 pounds in advance. On shipments from Nova Scotia to New York, for example, the freight charges vary between 70 cents and 85 cents per 100 pounds according to distance.

#### TYPES IN DEMAND

The trees in demand on the United States market range in height from 12 feet down—the most common sizes being from 6 to 10 feet. One important New York chain store listed their requirements as being for trees from 7 to 9 feet in height in bundles of threes and from 6 to 7 feet in bundles of four, the trees to be fully branched double-needle balsam. Strongly needled, well branched trees, of course, are in demand by all the dealers.

Christmas trees are bundled according to size as soon as cut, each bundle being wrapped around many times with twine. The stumps are usually sawn to an even length, allowing from 6 to 8 inches clearance for fixing in stands.

#### PRICES

The average price paid to shippers in 1928 was 75 cents a bundle, although recent quotations are from 50 to 60 cents a bundle. To this price must be added a 10 per cent duty, freight charges of \$215 or more per car, and 10 cents per bundle for unloading in New York. These costs, plus profits, usually bring the opening price quoted by dealers to about \$1.75 per bundle, with fluctuations according to market prospects. Last year New York dealers reported that they paid about \$1.25 per bundle delivered New York for Nova Scotia trees packed in bundles of four.

A list of dealers in the various United States cities is available to interested Canadian shippers on application to the Department of Trade and Commerce, Ottawa.

### ARGENTINE WHEAT PRODUCTION

#### Trends in Quality for 1932-33 to 1935-36

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, August 20, 1936.—The quality of Argentine wheat available for export in the past has been adversely affected by the large number of varieties grown, many of which had undesirable characteristics from either a milling or baking point of view. A degree of success, however, has been achieved in recent years towards a reduction in the relative importance of these undesirable varieties, and the new Grain Act, passed last year, is designed to finally eliminate them as a factor in production.

Varieties of wheat with different characteristics must of necessity be grown in Argentina, due to the wide differences existing in respect of climate, rainfall and to a lesser degree soil composition as between different producing districts, particularly from North to South, within the main wheat area, although the entire producing area is compact and topographically uniform. The number of varieties available for seeding, however, have been unnecessarily large, due probably to the fact that new varieties are developed by several important private nurseries as well as at the government experimental stations. The principal difficulty, however, has been that the tenant farmer here, who accounts for the greater part of the entire wheat production, is generally poorly educated and has in the past favoured a variety which gives a high yield irrespective of quality. This attitude was logical in view of the fact that the absence of an official system of grading did not at best tend to pass on to the producer all the benefits accruing from a higher quality wheat offered.

#### PRODUCTION BY QUALITIES AND ZONES

Despite the local marketing system, some success has been attained, as already indicated, towards the elimination of these undesirable varieties. Detailed reports on the quality of Argentine wheat, in so far as it may be judged from the percentages of each variety which comprise the aggregate

production, have been issued each year since 1932 by a recognized Argentine authority who has been largely responsible for the form in which the present legislation covering grading and control of seed distribution has been drawn up. The results of these studies are summarized in the table following, which classifies production by zones from 1932-33 to 1935-36 on the basis of the quality of the different wheat varieties grown as defined in the new grading regulations:—

#### *Argentine Wheat Production by Qualities and Zones*

	1932-33	1933-34	1934-35	1935-36
Rosafé Zone—		Percentages of Crop		
Hard varieties . . . . .	.....	14.6	23.7	14.2
Semi-hard varieties . . . . .	.....	49.7	68.5	68.6
Soft varieties . . . . .	.....	9.4	3.2	8.0
Sub-total . . . . .	.....	73.7	95.4	90.8
Excluded varieties . . . . .	.....	26.3	4.6	9.2
	.....	100.0	100.0	100.0
Buenos Aires Zone—				
Hard varieties . . . . .	15.6	23.3	43.1	23.9
Semi-hard varieties . . . . .	16.1	15.5	26.5	33.9
Soft varieties . . . . .	33.4	26.5	12.5	19.8
Sub-total . . . . .	65.1	65.3	82.1	77.6
Excluded varieties . . . . .	34.9	34.7	17.9	22.4
	100.0	100.0	100.0	100.0
Bahia Blanca Zone—				
Hard varieties . . . . .	50.8	55.8	57.7	33.6
Semi-hard varieties . . . . .	7.6	13.0	23.3	40.8
Soft varieties . . . . .	13.5	8.9	4.1	8.4
Sub-total . . . . .	71.9	77.7	85.1	82.8
Excluded varieties . . . . .	28.1	22.3	14.9	17.2
	100.0	100.0	100.0	100.0

The decrease shown in the percentages of the crop for the years cited accounted for by undesirable varieties is attributed largely to the virtual elimination of one variety "Ardito." This variety was very popular in certain

districts on account of its high yield, particularly in the northern area, but the Rosario Grain Exchange, a semi-official body, set up a separate grade for it in 1934, and the lower price obtained has apparently had the desired effect. The production of "Favorito," another undesirable variety, has also decreased steadily in recent years.

The trend from hard to semi-hard varieties in the Bahia Blanca zone, which produces the Argentine hard or Barusso wheat, was due to heavy seeding last year of a semi-hard variety called "Blackhull," mainly at the expense of the variety "Kanred," which is the standard hard type variety for this area as officially approved by the authorities.

#### OFFICIAL GRADES

The grading regulations under the new Grain Act divide the wheat-producing area into three zones: Rosafé, Buenos Aires, and Bahia Blanca. For each zone there are three types recognized: "Hard," "Semi-hard" and "Soft" and for each type two grades "No. 1" and "No. 2." For each type and zone, a particular variety or varieties of wheat have been selected and officially approved as representing the standard variety for the type. For example the varieties "Lin-Calel" and "Kanred" are the bases of the hard type wheat for all three zones, and the variety "San Martin" for soft wheat types. In addition, however, other varieties which are admissible for classification to each type are specifically mentioned in the regulations. Further specific mention is made also of those varieties which will not be admitted in the official grades. These latter varieties can only be sold on sample.

Unfortunately tonnage figures are not available by varieties or zones for past years, but in future this data should be available and will give a fairly accurate index from which further studies can be made with a view to discerning the trends from year to year in quality.

The appointments have just been announced to the Grain Board, the official body which will administer the new Grain Act, and the official standards for the 1935-36 wheat crop have been approved under the new grading regulations. The Elevator Commission is proceeding with their plans for the proposed system of country and terminal elevators.

#### COST OF MAINTAINING MINIMUM GRAIN PRICES IN ARGENTINA DURING 1934 AND 1935

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, August 26, 1936.—The Argentine Government adopted the policy of guaranteeing basic minimum prices to the domestic producer for the three principal grain crops grown here, namely, wheat, corn and flaxseed, in November, 1933. An official body, the Grain Regulating Board, was set up for the declared purpose of purchasing all grain offered in the domestic markets either direct by producers or by local grain merchants, at the basic prices and reselling the grain so acquired to local millers or exporters at world prices, in order to avoid speculation and as far as possible the accumulation of stocks.

The basic minimum prices in effect from November, 1933, until December, 1935, were 1.56 pesos (approximately 52 cents) per bushel for wheat, 2.90 pesos (96 cents) per bushel for flaxseed, and 1.12 pesos (37 cents) per bushel for corn. On the basis of these minimum prices the Grain Regulating Board were obliged to purchase to the end of 1934 slightly more than 147,000,000 bushels of wheat, or 75 per cent of the exportable surplus from the 1934 crop, incurring a loss on the resale of this quantity of 5,780,947 pesos (approximately \$1,926,980 Canadian). Practically no linseed was handled during this period and only 5,600,000

bushels of corn—the loss on both items being 105,909 pesos (\$35,300). The general operating costs amounted to 791,824 pesos (\$263,940) and bank interest charges to 2,511,876 pesos (\$837,290). The net cost of the board's operations, after deducting certain commission earned, to the close of 1934 was 8,882,535 pesos (\$2,960,000), which was met out of profits derived from the control of exchange. No stocks of grain were carried over to 1935.

The basic prices were continued without change until almost the end of 1935. Operations of the board during 1935 were confined almost exclusively to corn. Wheat and flaxseed quotations were well above the minimum fixed, due to the short crop here, but there was a heavy corn crop and the board were obliged to purchase 46,000,000 bushels, of which 12,000,000 bushels was still held at the end of the year, at the basic price of 1.12 pesos per bushel. The losses incurred during 1935 amounted to 736,305 pesos (\$245,400) plus 299,406 pesos (\$99,800) for general operating expenses and 490,172 pesos (\$163,300) for interest charges, bringing the aggregate cost for 1935 to 1,525,884 pesos (\$508,600).

The basic minimum price for wheat has been increased to 2.72 pesos (90 cents), in effect since December of last year. Flaxseed prices were increased correspondingly, and a few months later the minimum price for corn was also raised. While it was anticipated at the beginning of the year that heavy losses might be incurred in maintaining the present high minimum prices, particularly on corn, all grain prices are now well above the minimum set.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### Norwegian Tariff on Apples

A Norwegian resolution of January 28, 1936, which extended the period August 1 to January 31 of higher duty on apples to August 1 to March 7, was amended on August 4, 1936, making the period of higher duty to run from August 1, 1936, to March 15, 1937. During these months the tariff is 40 ore (10 cents) per kilo (2.2 pounds). The rate is subject to surtaxes of 50 per cent and 20 per cent, making a total duty of about 8 cents per pound. This is double the rate in force during the remaining period, March 16 to July 30.

### Bolivian Customs Surcharges

Mr. M. J. Vechsler, Canadian Trade Commissioner at Lima, Peru, writes under date August 14, 1936, that on July 1, 1936, the Bolivian Military Junta issued a decree establishing a number of surcharges to be added by the customs authorities to importations of goods imported into that country. In March of this year a decree was issued fixing the exchange rate of the boliviano at 50 to the pound sterling. Previous legal rate of exchange was bolivianos 13.33 per pound sterling and, with the object of equalizing the devaluation of the boliviano in comparison with the exchange value of imported goods, the aforementioned decree was issued.

Under this decree surcharges ranging from 20 per cent to 275 per cent of the duty are applied to imports. The only products exempted from the surtax are foodstuffs of absolute necessity, including live cattle, wheat, wheat flour, white sugar, and lard. Surtaxes on other goods include the following:—

- 20 per cent of the duty on potatoes, fuel, and some other articles of prime necessity.
- 50 per cent of the duty on oats, evaporated, condensed and powdered milk, canned salmon, canned sardines, medicinal products, simple clothing, and educational material.
- 100 per cent of the duty on machinery for basic and manual industries, workmen's tools.
- 130 per cent of the duty on machinery and materials for accessory industries, typewriters, constructional materials.

- 150 per cent of the duty on ordinary articles of clothing, common tableware.
- 170 per cent of the duty on cotton, linen, and wool textiles, vehicles for transport purposes.
- 200 per cent of the duty on hats, leather footwear, silk textiles.
- 240 per cent of the duty on prepared foodstuffs; preserves, except salmon, sardines, and milk; gramophones; radio sets; musical instruments; also any products not elsewhere enumerated in the complete decree.
- 275 per cent of the duty on liquors, passenger automobiles, toilet articles, jewellery, and all other articles of luxury or non-essential usage.

### **Federated Malay States Customs Revision**

Mr. B. C. Butler, Acting Trade Commissioner at Singapore, reports that as from August 21 the duty in the Federated Malay States has been removed on lard, vegetable ghee, and other edible oils and fats; pianos; raw, prepared, or essence of coffee; saccharine; oilcloth and linoleum; straw, grass, and rush manufactures from all countries. There was no preferential rate. In most cases where British goods were given a preference, the new schedule removes altogether the duty on British goods and reduces the duty on non-British goods, leaving the amount of preference unchanged. These include cartridges; butter; margarine; cosmetics and perfumery; tanned hides and skins; leather and imitation leather; radios and gramophones, records, etc.; canned fruits, jams, marmalade, vegetables, fish, meats, and soup. The only important classification which remains unchanged is canned milk, the duty on which is, as previously, \$5 (Straits) on non-British and \$1 (Straits) on British goods per 100 pounds net weight.

### **Ecuadorean Duties on Wheat Flour Temporarily Suspended**

Under an Ecuadorean decree of August 20, 1936, wheat and wheat flour shipped to Ecuador from the date of the decree up to September 30, 1936, are exempted from customs duty, from a sales tax of 5 per cent ad valorem levied under a decree of January 8, 1936, and from the surtax of 50 per cent of the duty which was applied to imports from Canada and some other countries under a decree of July 3, 1936. Flour which was in transit or in the customs warehouse on August 20 will pay one-half of the ordinary duty and of the sales tax and will be exempt from the 50 per cent surtax. This means that such flour is subject to a duty of 0.10 sucre per kilo (about 43 cents per 100 pounds at the current rate of exchange), plus sales tax of  $2\frac{1}{2}$  per cent ad valorem.

The decree states that the foregoing regulations are transitory and will have effect while the price of flour abroad is maintained for high patent at \$6 minimum per barrel of 196 pounds and for second at \$5.20 minimum per barrel.

### **Restriction on Importation of Christmas Trees into the Republic of Panama**

Shipments of Christmas trees to Panama should be accompanied by a certificate of health or a statement to the effect that they are not diseased. This may be signed by an official of either the provincial or federal governments. This statement may be in English, French, or Spanish.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPTEMBER 21

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the weeks ending September 21 and September 14, 1936, with the official bank rate.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 14	Nominal Quotations in Montreal Week ending Sept. 21	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1884	\$ .1885	3½
Belgium . . . . .	Belga	.1001	.1690	.1688	2
Bulgaria . . . . .	Lev	.0072	.0130	.0130	6
Czechoslovakia . . . . .	Krone	.0296	.0413	.0413	3
Denmark . . . . .	Krone	.2680	.2260	.2260	3½
Finland . . . . .	Markka	.0252	.0223	.0223	4
France . . . . .	Franc	.0392	.0658	.0658	3
Germany . . . . .	Reichsmark	.2382	.4022	.4019	4
Great Britain . . . . .	Pound	4.8666	5.0637	5.0612	2
Greece . . . . .	Drachma	.0130	.0094	.0094	7
Holland . . . . .	Guilder	.4020	.6787	.6783	3
*Hungary . . . . .	Pengo	.1749	.2950	.2950	4
Italy . . . . .	Lira	.0526	.0786	.0786	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0229	.0230	5
Norway . . . . .	Krone	.2680	.2544	.2542	3½
Poland . . . . .	Zloty	.1122	.1882	.1882	5
Portugal . . . . .	Escudo	.0442	.0458	.0458	4½
Roumania . . . . .	Leu	.0060	.0073	.0073	4½
Spain . . . . .	Peseta	.1930	.1365 Nom.	.1365 Nom.	5
Sweden . . . . .	Krona	.2680	.2610	.2609	3½
Switzerland . . . . .	Franc	.1930	.3259	.3256	2
United States . . . . .	Dollar	1.0000	.9996	.9993	1½
Mexico . . . . .	Peso	.4985	.2775	.2775	4-5
Cuba . . . . .	Peso	1.0000	.9990	.9990	—
Guadeloupe . . . . .	Franc	.0392	.0658	.0658	—
Jamaica . . . . .	Pound	4.8666	5.0737	5.0712	—
Martinique . . . . .	Franc	.0392	.0658	.0658	—
Other British West Indies	Dollar	1.0138	1.0546	1.0543	—
Argentina . . . . .	Peso (Paper)	.4245	.3375	.3374	3½
		Unofficial	.2845	.2838	—
Brazil . . . . .	Milreis (Paper)	.1196	.0863	.0862	—
		Unofficial	.0592	.0592	—
British Guiana . . . . .	Dollar	1.0138	1.0546	1.0543	—
Chile . . . . .	Peso	.1217	.0517	.0517	4½
		Unofficial	.0417	.0417	—
Colombia . . . . .	Peso	.9733	.5690	.5686	4
Peru . . . . .	Sol	.2800	.2500	.2498	6
Venezuela . . . . .	Bolivar	.1930	.2500	.2498	—
Uruguay . . . . .	Peso	1.0342	.7968	.7964	—
South Africa . . . . .	Pound	4.8666	5.0575	5.0550	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1900	5.1875	—
China (Shanghai) . . . . .	Dollar	.....	.3006	.3003	—
Hongkong . . . . .	Dollar	.....	.3116	.3115	—
India . . . . .	Rupee	.3650	.3823	.3822	3
Japan . . . . .	Yen	.4985	.2959	.2958	3.29
Java . . . . .	Guilder	.4020	.6820	.6815	—
Siam . . . . .	Baht (Tical)	.4424	.4639	.4636	—
Straits Settlements . . . . .	Dollar	.5678	.5937	.5933	—
Australia . . . . .	Pound	4.8666	4.0512	4.0487	—
New Zealand . . . . .	Pound	4.8666	4.0837	4.0812	2½

\* Unofficial: .1977

Exchange restrictions are still in force in many countries and exporters, when in doubt as to the effect of such restrictions on their commitments—especially in respect to countries for which more than one rate of exchange is quoted—are invited to communicate with the Commercial Intelligence Service for information.

The Dominion Bureau of Statistics has supplied the following note:—

No improvement occurred in the position of the French franc during the week ended September 19. The outward flow of gold from Paris continued, shipments to the United States totalling \$107,000,000 since the movement began in the first week of August. Franc rates at Montreal dropped fractionally from 6.584 cents to 6.580 cents, while the rate on New York funds also receded from \$0.9998 to \$0.9994. Sterling, on the other hand, mounted from \$5.058 to \$5.062, reflecting the transfer of Continental funds to London.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

- Secretary, Board of Trade—  
Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.  
Chatham, Ont.  
Kitchener, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.  
Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.
- Secretary, Chamber of Commerce—  
Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.  
Belleville, Ont.  
Peterborough, Ont.  
London, Ont.  
Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.
- Border Chamber of Commerce, Windsor, Ont.  
Department of Industry, Brantford, Ont.  
Industrial Commissioner, Stratford, Ont.  
La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.  
Secretary, Canadian Manufacturers Association—  
Toronto, Ont.  
Montreal, P.Q.  
Winnipeg, Man.  
Edmonton, Alta.  
Vancouver, B.C.  
Victoria, B.C.
- The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.  
The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Novelties and Articles in the Perfumery Line.	635	Oslo, Norway.....	Purchase and Agency.
Woven Cotton Piece-goods and Gingham.	636	Oslo, Norway.....	Agency.
White Cotton Gloves.....	637	Bristol, England.....	Purchase.
Second-hand Jute Bags.....	638	Helsingfors, Finland.....	Agency.
Paper-makers' Felts.....	639	Oslo, Norway.....	Agency.
Wrapping Paper.....	640	Ciudad Trujillo, Dominican Republic.	Purchase.
Pulp Board (for the Manufacture of Egg Fillers).	641	Dublin, Irish Free State...	Purchase.
White Birch Vencer Slats.....	642	Berlin, N.Y., U.S.A.....	Purchase.
Radio Receivers.....	643	Helsingfors, Finland.....	Agency.
Hardware.....	644	Helsingfors, Finland.....	Agency.
Galvanized Iron Plates for Roofing.	645	Helsingfors, Finland.....	Agency and Purchase.

### CERTIFICATES OF ORIGIN FOR BRITISH PREFERENCES

Canadian exporters are reminded of the importance of supplying correct certificates of origin for goods entitled to preferential tariff treatment in Empire countries. The regulations to be observed vary enough to preclude use of uniform documentation for the different British markets. As regards the principal market, the United Kingdom, goods regarded as growth or produce require 100 per cent Empire content; optical goods and parts require 75 per cent; a selected list of manufactured goods (see F.T.D. Leaflet No. 95) require 50 per cent; for other manufactured goods 25 per cent Empire content suffices. A small number of ingredients must qualify independently for preference. Each "article" is subject to the preference test separately, so that when machinery, etc., is shipped to the United Kingdom knocked-down each separate assembly or part must qualify in itself to be entitled to preference. Notice 27A of the London Custom House, issued in March, 1935, prescribes appropriate forms as follows: D, 119 (Sale), for growth or produce; E, 120 (Sale), for manufactured goods; F, 121 (Sale), for manufactured tobaccos and sugars; FF, 122 (Sale), a supporting certificate for ingredients.

### PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

#### From Montreal

*To Liverpool.*—Duchess of Bedford, Oct. 2; Montcalm, Oct. 3; Duchess of Richmond, Oct. 9; Duchess of York, Oct. 16; Duchess of Atholl, Oct. 23—all Canadian Pacific; Antonia, Oct. 9; Andania, Oct. 23—both Cunard-White Star Line.

*To London.*—Beaverdale, Oct. 2; Beaverburn, Oct. 9; Beaverhill, Oct. 16; Beaverford Oct. 23; Beaverbrae, Oct. 30—all Canadian Pacific; Alaunia, Oct. 2; Ascania, Oct. 9; Aurania, Oct. 16; Ausonia, Oct. 23—all Cunard-White Star Line.

*To Manchester.*—Manchester Commerce, Oct. 1; Manchester Division, Oct. 8; Manchester Regiment, Oct. 15; Manchester Citizen, Oct. 22; Manchester Port, Oct. 29; Manchester Producer, Nov. 5—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Airthria, Oct. 16; Dakotian, Nov. 4—both Cunard-Donaldson and Dominion Lines.

*To Southampton.*—Montcalm, Canadian Pacific, Oct. 3.

*To Cardiff, Bristol and Swansea.*—Bristol City, Oct. 7; Boston City, Oct. 26; New York City, Nov. 12—all Bristol City Line.

*To Glasgow.*—Letitia, Oct. 2; Delilian, Oct. 9; Athenia, Oct. 16; Sulairia, Oct. 23—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnglen, Oct. 8; Cairnross (calls at Dundee), Oct. 22; Cairnesk, Nov. 5—all Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kyno, Oct. 9; Kelso, Nov. 3—both Ellerman's Wilson Line.

*To Dublin and Belfast.*—Dunaff Head, Sept. 30; Fanad Head, Oct. 6; Kenbane Head, Oct. 28—all Head Line (cargo accepted for Londonderry and Cork).

*To Antwerp.*—Kings County, Sept. 30; Brant County, Oct. 13; Alaska, Oct. 30—all County Line; Beaverdale, Oct. 2; Beaverhill, Oct. 16; Beaverbrae, Oct. 30; Montrose, Oct. 31—all Canadian Pacific.

*To Havre.*—Brant County, Oct. 13; Alaska, Oct. 30—both County Line.

*To Rotterdam.*—Kings County, Sept. 30; Grey County, Oct. 10; Hada County, Oct. 18; Columbia, Nov. 3—all County Line.

*To Hamburg.*—Frankfurt (calls at Bremen). North German Lloyd Line, Oct. 2; Beaverburn, Oct. 9; Beaverdale, Nov. 6—both Canadian Pacific; Frankenwald (calls at Bremen), Hamburg-America Line, Oct. 30.

*To Copenhagen, Gothenburg and Baltic Ports.*—Korsholm, Oct. 3; Nanking, Oct. 27—both Swedish-America-Mexico Line.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Nordhavet, Gardiaz Line, Oct. 17.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Lena, Capo Line, Oct. 20.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Belle Isle, Newfoundland-Canada SS. Co., Oct. 9 and 25.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Chomedy, Oct. 1; Cornwallis, Oct. 15—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Lady Rodney, Sept. 30; Cavellier (does not call at Hamilton or Nassau), Oct. 9—both Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Oct. 10; Maravi, Oct. 26—both Ocean Dominion SS. Corp.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Canadian Cruiser, Sept. 28; Port Alma, Oct. 30—both Montreal Australia New Zealand Line.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Tekoa, Montreal Australia New Zealand Line, Oct. 21.

*To Manila, Hongkong, Shanghai, Yokohama and Dairen.*—City of Salisbury, Sept. 30; City of Kimberley, Oct. 30—both Canada Far East Line; Myrmidon (does not call at Yokohama or Dairen), Blue Funnel Line, Nov. 14.

*To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.*—A steamer, Elder Dempster Lines Ltd., October.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Oron, Sept. 28; City of Hankow, Oct. 12; City of Tokio, Oct. 28—all Ellerman & Bucknall SS. Co.

*To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—A steamer, Java-New York Line, October.

*To Santos and Buenos Aires.*—Flint, Sept. 30; Tureby (calls at Rio de Janeiro), Oct. 10—both International Freighting Line; Tacoma (calls at Montevideo but not at Santos), Canada-South America Line, Oct. 10.

### From Quebec

*To Southampton.*—Empress of Britain, Canadian Pacific, Oct. 10 and 24 and Nov. 7.

### From Saint John

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, Sept. 30; Lady Drake, Oct. 14—both Canadian National.

*To Kingston and Jamaican Outports.*—Harboe Jensen, United Fruit Line, Sept. 25.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—A steamer, American and Indian Line, October.

### From Halifax

*To Liverpool.*—Newfoundland, Oct. 10; Nova Scotia, Oct. 27—both Furness Line; Manchester Hero, Oct. 3; Manchester Brigade, Oct. 23; Manchester Exporter, Nov. 10—all Manchester Line.

*To London and Hamburg.*—McKeesport, Oct. 1; Liberty, Oct. 15; City of Flint, Oct. 29—all American Hampton Roads (call at Hull, Leith and Dundee).

*To Manchester.*—Manchester Hero, Oct. 3; Manchester Brigade, Oct. 23; Manchester Exporter, Nov. 10—all Manchester Line.

*To Newcastle and Leith.*—Cairnglen, Oct. 12; Cairnross (calls at Dundee), Oct. 26; Cairnesk, Nov. 9—all Cairn-Thomson Line.

*To Copenhagen and Baltic Ports.*—Batory (calls at Gdynia), Gdynia-America Line, Oct. 6.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Amherst, Sept. 28; Fort Townsend, Oct. 25—both Furness-Red Cross Line; Kongshaug, Newfoundland-Canada SS. Ltd., Oct. 5; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Oct. 7; Newfoundland (does not call at St. Pierre), Furness Line, Oct. 10.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, Oct. 8; Lady Drake, Oct. 22—both Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lionel, Sept. 30; a steamer, Oct. 15; Maravi, Oct. 31—all Ocean Dominion Line.

*To Santiago (Cuba) and Kingston (Jamaica).*—Kirsten B, Pickford & Black Ltd., Oct. 7.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Chomedy, Oct. 5; Cornwallis, Oct. 19—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Kingston (Jamaica) and Belize (British Honduras).*—Cathcart, Oct. 28; Cavelier, Oct. 12—both Canadian National.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Javanese Prince, Oct. 24; Silverpine, Nov. 1; Silvercypress, Nov. 7—all Silver-Prince Line.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, Sept. 29; Hiye Maru, Oct. 15; Heian Maru, Oct. 31—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Asia (calls Nagasaki), Oct. 3; Empress of Canada (calls Honolulu), Oct. 17; Empress of Russia (calls Nagasaki), Oct. 21; Empress of Japan (calls Honolulu), Nov. 14—all Canadian Pacific; Ixion, Oct. 25; Talthybius, Nov. 22—both Blue Funnel Line (call at Miike but not at Manila).

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Bintang, Sept. 30; Tosari, Oct. 31—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Niagara, Oct. 7; Aorangi, Nov. 4—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Coast, Oct. 15; Golden Bear Nov. 15—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Waiotapu, Oct. 17; Limerick, Nov. 20—both Canadian-Australasian Line.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Skagern, Oct. 10; Tolken, Nov. 12—both Empire Shipping Co.

*To Sydney, Melbourne and Adelaide.*—Hardingham, September; King Edgar, October; Temple, October—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Lochkatrine, Oct. 3; Lochmonar (calls at Glasgow), Oct. 17; Dinteldyk, Oct. 31; Drechtdyk, Nov. 14—all Holland-America Line.

*To London, Liverpool and Cardiff.*—Bradglan, Sept. 29; King City, Oct. 14—both Reardon Smith Line.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., September.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—Wisconsin, Oct. 1; San Francisco, Oct. 13; San Jose, Oct. 26—all Empire Shipping Co.

*To Scandinavian Ports.*—Brazil, Sept. 29; Nordstjernan, Oct. 25; Annie Johnson, Nov. 9—all Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Rialto, Oct. 8; Cellina, Nov. 15—both Empire Shipping Co.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., October.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Silverwillow, Oct. 5; Siantar, Nov. 5—both Silver-Java Pacific Line.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Evanger, Empire Shipping Co., Oct. 27.

### From New Westminster

*To London and Liverpool.*—Gregalia (calls at Glasgow), Balfour Guthrie & Co., Sept. 28; Bradglan (calls at Cardiff), Reardon Smith Line Ltd., Sept. 30; Lochkatrine (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., Oct. 4; Gothic Star (calls at Glasgow and Rotterdam), American Mail Line Ltd., Oct. 5.

*To Havre, Dunkirk, Antwerp, Rotterdam and Bordeaux.*—Wisconsin, Empire Shipping Co., Oct. 6.

*To Brisbane, Sydney, Newcastle, Melbourne and Adelaide.*—Skagrun, Empire Shipping Co., Oct. 5.

*To South African Ports.*—Silverwillow, Dingwall Cotts & Co., Oct. 1.

**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

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*Bristol:* FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

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**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

# COMMERCIAL INTELLIGENCE JOURNAL

Vol. LV

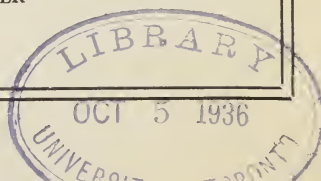
Ottawa, October 3, 1936

No. 1705



Holstein Bull purchased by the Koiwai Farm, Tokyo,  
in Oxford County, Ontario.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER



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Vol. LV

Ottawa, October 3, 1936

No. 1705

## CLOSING OF THE OFFICE AT TIENTSIN, CHINA

The office of the Canadian Trade Commissioner at Tientsin, China, is being closed with effect from November 1 next. Canadian firms interested in exporting to North China and Manchuria should from now on communicate with Mr. H. A. Scott, Canadian Trade Commissioner, P.O. Box 264, Shanghai.

## DAIRY PRODUCE EXPORT POLICY IN NEW ZEALAND

H. L. E. PRIESTMAN, ASSISTANT TRADE COMMISSIONER

Auckland, August 25, 1936.—In *Commercial Intelligence Journal* No. 1690, dated June 20, 1936, a full report on the Primary Products Marketing Act of New Zealand was published. The fixation of basic prices to be paid by the Crown for dairy produce exported from New Zealand was left in abeyance by that legislation until after the close, on July 31, of the then current dairying season, although differential price margins for the several grades of butter and cheese were later announced by the Acting Director of Marketing, for the general information of the industry.

### GUARANTEED PRICES

On August 4, as a prelude to his 1936-37 budget, the Honourable W. Nash, as Minister of Marketing, declared the guaranteed prices which are to take effect as from August 1. He announced that the basic price for creamery butter will be 117s. 3d. per cwt. (of 112 pounds), or 12 $\frac{3}{16}$ d. per pound, which is equal to about 1s. 1d. per pound of butter-fat under average factory conditions. For cheese, the basic price will be 63s. 7d. per cwt. or 6 $\frac{1}{4}$ d. per pound, equivalent to a pay-out of about 1s. 2 $\frac{1}{2}$ d. per pound butter-fat.

These are the basic f.o.b. guaranteed prices for the current season—that is, for butter and cheese made between July 31, 1936, and August 1, 1937, and, in the terms of the Act, all butter and cheese for export made after August 1, 1936, becomes the property of the Government when placed on board the overseas steamer. At that point the dairy factory will be paid in full a guaranteed price for the dairy produce by means of a cheque drawn on the Dairy Industry Account at the Reserve Bank of New Zealand.

### "SUFFICIENT NET RETURN"

For future seasons several factors will be considered in arriving at a "sufficient net return" for the farmer, and members of the industry will be consulted in arriving at this price.

It is worthy of note that the Primary Products Marketing Act definitely establishes the validity of any Order in Council for fixing prices, which therefore cannot be questioned on any grounds whatsoever.

## FACTORS IN DETERMINATION OF PRICES

Determination of the present butter price is stated to be fixed upon the average butter-fat return of the past eight to ten years, with an allowance for increased costs in the industry and to ensure that competent dairy farmers, supplying factories working under average factory conditions, will receive a sufficient return to maintain a proper standard of living. The price for cheese is fixed to yield a margin of  $1\frac{1}{2}$ d. per pound of butter-fat in excess of what would be paid if the butter-fat were processed into butter.

If the proceeds of the sale of produce overseas this year do not cover the guaranteed price paid out, then the deficit is not the responsibility of the dairy farmer, but of the Government. If, on the other hand, there is a surplus over the amount guaranteed, this will be used for the benefit of the dairy farmer and the industry after consultation with its representatives.

## DIFFERENTIAL PRICE MARGINS

The differential price margins that will now take effect so as to provide a stimulus to quality production are based upon the Government grading of butter and cheese. The following table sets out the method of application of the approved margins and the resultant prices:—

*Creamery Butter*

Grading Score	Approved Margin per Cwt.	Actual Payment per Cwt.
Finest grade—		
94 points and over . . . . .	plus 1s. 2d.	118s. 5d.
93 to 93½ points . . . . .	Basic guaranteed price	117s. 3d.
First grade —		
92 to 92½ points . . . . .	minus 7d.	116s. 8d.
90 to 91½ points . . . . .	minus 2s. 4d.	114s. 11d.
Second grade . . . . .	minus 7s. 0d.	110s. 3d.

*Whey Butter*

First grade . . . . .	minus 9s. 4d.	107s. 11d.
Second grade . . . . .	minus 14s. 0d.	103s. 3d.

*Cheese*

Finest grade—		
94 points and over . . . . .	plus 1s. 5½d.	65s. ½d.
93 to 93½ points . . . . .	plus 1s. 2d.	64s. 9d.
First grade—		
92 to 92½ points . . . . .	basic guaranteed price	63s. 7d.
91 to 91½ points . . . . .	minus 7d.	63s. 0d.
Second grade . . . . .	minus 2s. 4d.	61s. 3d.

## READJUSTMENT OF FARMERS' LIABILITIES

The relation of farming costs to guaranteed prices is largely affected by interest and other land costs, and a policy of adjusting the mortgage liabilities of the farmer to the guaranteed price is to be initiated. It is stated that the readjustment of mortgages will remove the burden of over-mortgaged land, and will conserve to the mortgagee such values as are now sustained by his security, while allowing the working farmer to devote his time to production, freed from the menace of possible foreclosure or eviction.

## MARKETING DEPARTMENT'S POLICY

The Government's Marketing Department will market the dairy produce to the best advantage, and arrangements have been made to continue to use the efficient distributors in the United Kingdom who have long been associated with the import of New Zealand produce. Special efforts are to be directed towards making reciprocal trade agreements with other countries, first of all with a view to expansion and stabilization of trade with the United Kingdom on a mutually beneficial basis.

## LONDON PRICE SITUATION

With war clouds in Europe, drought conditions in parts of North America, and a fairly comfortable storage position in London, the trend of overseas dairy produce prices has been sharply upwards, before and since the time of the announcement of guaranteed prices. In consequence, the New Zealand f.o.b. equivalent of butter and cheese prices in London now considerably exceeds the guaranteed f.o.b. prices. For the week ended August 21, 1936, the Primary Products Marketing Department stated that the market reports in London were as follows:—

*Butter.*—New Zealand, salted, 121s. to 122s. or approximately 14·49d. f.o.b. (guaranteed price 12 $\frac{3}{4}$ d.).

*Cheese.*—New Zealand, white, 70s. to 71s., equivalent to 8d. f.o.b.; coloured, 67s. to 68s., equivalent to 7·62d. f.o.b. (guaranteed price 6 $\frac{1}{2}$ d.).

## EFFECT OF EQUALIZATION SCHEME

Needless to say, the dairy farming community fully realize that they are to receive a guaranteed gross f.o.b. price for their products, not a guaranteed minimum price at the factory for their butter-fat, and now that relatively high prices exist overseas, there are complaints that the guaranteed prices are much less than the farmers had hoped for, in view of rising domestic costs. On the other hand, with four-fifths of his produce sold on overseas markets, and under conditions beyond the producer's control, others regard the equalization scheme as the only effective method to bring about stabilization over a long-range period, and as ensuring a security of tenure not previously enjoyed.

Domestic prices for butter have recently been changed so that they are in closer relation to the guaranteed price than to the London price. This has entailed a reduction in domestic prices, which were formerly governed in the final analysis by the current prices in London.

The complete diversion to the Reserve Bank of the exchange business formerly done by the commercial banks, with respect to export trade in dairy produce, that is now included in the operation of the Dairy Industry Account, is believed by some to be likely to affect their future earnings.

Dairy produce outside the scope of the legislation—i.e., that which was made before August 1, 1936—is not affected by the Act, and the previously existing methods of disposal will continue unaltered. The new scheme, however, will affect firms whose business was the purchase in New Zealand of dairy produce for export, and will apparently result shortly in the cessation of their operations in New Zealand.

No analysis of the results of guaranteed prices and of the marketing scheme can be made until they have been in effect for a season or more and have undergone the test of possibly falling prices in overseas markets, and until the forecasted readjustment of farmers' liabilities takes place.

## WOOL PRODUCTION IN SOUTH AFRICA

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, August 20, 1936.—The Union of South Africa is the largest producer of wool on the Continent of Africa, followed by Algeria and French Morocco. The woolled sheep population as at August 31, 1935, amounted to 30,206,992, including lambs. The Cape Province is the principal centre, and had a total of 17,622,928, followed by the Orange Free State with 7,224,348, the Transvaal with 3,522,835, and Natal with 1,836,881.

It is estimated that there are 60,000 farmers in the Union with flocks, and about 17,000 of these are members of the Wool Growers' Association.

The wool year in South Africa extends from July 1 to June 30. In common with other great primary markets in the Southern Hemisphere, the interest in the raw material shifts in the month of June from the Union to the various manufacturing centres of the Northern Hemisphere.

### METHODS OF SALE AND GRADING

The bulk of the wool is handled between September 1 and December 31, when approximately 75 per cent is disposed of and consists of qualities of 64 to 70 of twelve months' growth suitable for spinning owing to freedom from foreign matter. The remaining 25 per cent is disposed of between January 1 and June 30, and consists mostly of six to eight months' growth and of qualities 64 to 70.

The major portion of the South African clip is sold by auction. Buyers in the main are local agents acting on behalf of foreign principals, though in some cases foreign firms send their own buyers out to attend to wool sales. Buying is done on a commission basis at approximately 3 per cent on a guaranteed yield, pro and contra basis.

The grading is usually done by the farmer, who receives assistance and instruction from Government officials and experts employed by the Co-operative Wool Growers' Association. The average quality of South African wool is 64-70. Most of the wool is purchased on an average basis. However, if foreign buyers so desire, definite grades can be obtained.

The average weight of a bale of wool is 330 pounds gross, with 13 pounds tare allowed for the pack.

### 1935-36 CLIP

The wool clip for the 1935-36 season was 752,641 bales and is appreciably higher than that of the previous season, which amounted to 659,580 bales. Unsold stocks amount to 21,108 bales, which is not considered excessive, being greater than that of the previous season but less than the average for the years 1932 to 1935, which was 29,455 bales.

### PRICE SITUATION

There was some decline in prices of short wool during the season, due to the reduced purchasing of Germany, France, Belgium, and Italy. Great Britain, Japan, and the United States remained as possible outlets, but they required principally long types, which resulted in the drop in price of short wool.

The value per pound of grease wool was, for the twelve months ending June 30, 1936, 9·9 pence from all ports, as compared with 7·6 pence for the previous season. For scoured wool the value was 17 pence as compared with 16·4 pence average for the 1934-35 season from all ports. It is expected that the income from wool for the past season may exceed £9,000,000 as compared with last season's return of £7,360,000.

### RE-ENTRY OF JAPAN INTO THE MARKET

Japan's re-entry into the South African market was an important feature of this season, especially to holders of combing wools, and offered relief due to

the Continental crisis. This was no doubt due to the tariff differences between Japan and Australia, which resulted in the boycott by Japanese buyers at the clearing-up sales in Australia, and the lifting of from 7,000 to 8,000 bales in South Africa.

### WOOL IMPROVEMENT

Years ago Australian merinos were imported into South Africa for the purpose of improving the local flocks, and the introduction of this blood, plus improved breeding practices, has been of material assistance in bringing the quality of the wool up to the standard which it has reached to-day, when many of the South African clips hold their own with any competitor.

The embargo placed by Australia on the export of breeding stock will not affect the quality of the local clip adversely, provided care is taken in the selection of the rams used. True, the quality has fallen from the 80's to an average of between 64 and 70, but as world demand at present is largely for these lower qualities, as long as South African wool does not fall below the present average it should always find a ready market.

### SYNTHETIC COMPETITION

The wool-producing organizations in New Zealand, Australia, South Africa, and Argentina are greatly perturbed at present due to the inroads which other fabrics are making into their sales. That the natural wool product has tremendous natural advantages is undeniable, but wool producers generally now realize that the extent of these natural advantages must be explored by research and through the medium of propaganda brought clearly to the attention of consumers, and thus counteract the strenuous efforts which are being put forward by the competition from other products.

Australia has put forward proposals for joint action on the part of the above countries and such proposals have been, in the main, favourably received in South Africa. It is estimated here that between £200,000 and £300,000 would be required as South Africa's share for such a campaign. If such a scheme were adopted, machinery is available locally for the raising of the necessary funds by means of a wool levy, which was formerly in existence but has been in abeyance now for some years. This fund, according to reports, still has a carry-over balance of some £30,000 which could be used as a basis for the larger amount necessary.

Some of the funds raised would be used to promote the sale of wool generally, and the remainder to promote the sale of South African wool in particular, especially within the Union. As a means to this end the wool producers are concentrating on a great display at the Empire Exhibition at Johannesburg, which opens on September 15 of this year.

Competition from artificial silk, the world production of which in 1935 reached 1,000,000,000 pounds, and other synthetic fabrics cannot be ignored, but to-day the world's clips are being absorbed without any undue carry-over, and with the recent improvement in Great Britain, and partial improvement on the Continent, South African producers are not unduly disturbed as to the future.

### GERMAN WOOL AGREEMENT

The Government of the Union of South Africa has introduced many measures for the relief and assistance of the farming community. Among such measures was the "German Wool Agreement," which, from the point of view of the wool producers, has been a great success. This agreement did much to ease the wool position, which was in a bad state at the end of 1934, when heavy stocks were held in the Union, and a large quantity which would otherwise have been placed on the United Kingdom market was diverted to Germany and at satisfactory prices.

Under this agreement it was intended that the Union's purchases from Germany would pay for the wool purchased by Germany and thus increase the trade between the two countries, and this has been the case, although the Union's purchases from Germany have not developed to the extent that the wool farmer would like to see.

Other agreements also had a beneficial effect on local wools, namely, those entered into between the Argentine, German, and Italian Governments, which tended to clear accumulated supplies, and large quantities which would normally have found their way into the open market went direct into consumption.

### EXPORTS

The following tables indicate the Union's exports of wool to the principal countries, showing weight and total value for the seasons mentioned:—

#### *Grease Wool*

	1933-34 1,000 Lbs.	1934-35 1,000 Lbs.	1935-36 1,000 Lbs.
France .. . . .	56,380	51,256	66,209
United Kingdom .. . . .	54,745	41,274	54,906
Germany .. . . .	51,510	63,911	42,466
Belgium .. . . .	25,855	20,877	21,493
Japan .. . . .	5,982	1,955	5,584
Poland .. . . .	4,117	3,408	3,335
United States .. . . .	720	229	3,075
Italy .. . . .	18,531	22,211	2,777
Holland .. . . .	776	64	1,241
Sweden .. . . .	2,190	1,234	941
Spain .. . . .	620	1,056	313
Canada .. . . .	159	99	194
Optional .. . . .	6,701	6,984	4,360
Other countries .. . . .	267	660	2,014
Total weight .. . . .	228,553	215,218	208,909
Total value .. . . .	£10,331,534	£6,856,022	£8,578,307

#### *Scoured Wool*

	1933-34 1,000 Lbs.	1934-35 1,000 Lbs.	1935-36 1,000 Lbs.
United Kingdom .. . . .	1,080	851	1,991
Belgium .. . . .	276	279	1,231
Germany .. . . .	938	2,244	1,005
United States .. . . .	375	3	419
France .. . . .	210	108	409
Canada .. . . .	175	267	305
Italy .. . . .	265	391	182
Japan .. . . .	25	7	84
Holland .. . . .	.....	76	54
Other countries .. . . .	53	118	133
Optional .. . . .	3,259	3,047	1,375
Total weight .. . . .	6,656	7,391	7,187
Total value .. . . .	£ 586,795	£ 506,560	£ 509,233

The wool producers have, during the last few years, improved the standard of their wool considerably by directing their efforts towards improving the classification, get-up, and the general preparation of the clip for market.

South African wools have a high standing among topmakers, spinners, and manufacturers, but great care must be exercised on the part of the producers to maintain the present excellent quality in order that they continue to command top prices.

The prospects for the coming year are considered very favourable. Consumption has overtaken supplies and stocks show substantial reductions, amounting to a mere handful. At present there is practically no activity. Overseas buyers have returned to the United Kingdom and Europe and the brokers are visiting their clients. Wool sales commence again about the middle of September.

## WEST OF ENGLAND ECONOMIC REVIEW

L. H. AUSMAN, ACTING TRADE COMMISSIONER

Bristol, September 15, 1936.—Apart from seasonal slackness in some trades, and holiday interruptions, the high level of activity recorded earlier this year for the West of England, South Wales, and South Midlands has been well maintained, particularly in the iron and steel and engineering industries.

### WEST OF ENGLAND

During the five months of the fiscal year ended August 31 a considerable increase has been recorded in traffic calling at the Port of Bristol. During this period 1,532,881 tons of shipping entered the port—80,664 tons in excess of the figure for the same period in 1935. Of this total 1,555,480 tons were from abroad. The volume of goods passing through the port also showed a substantial increase from 1,686,126 tons in the five months ended August 31, 1935, to 1,725,949 tons in the same period this year.

### GRAIN IMPORTS

Wheat imports have been exceptionally high in recent months, supplies from Canada predominating. For the first seven months of this year Canadian shipments amounted to 148,622 tons as compared with 153,313 tons for the whole of 1935 and 145,724 tons for 1934. Prices have been well maintained due to reports of poor crops. Imports of corn from Argentina were retarded in June due to wet weather, and prices rose. More recently, however, shipments have been coming forward, and quotations have remained at approximately the export values fixed by the Argentine Government. Barley has been freely offered from Canada, Roumania, and Iran, and prices have declined. Supplies from Russia have not so far come on the market in large quantities. Trade in oats has been small and prices have on the whole been relatively unchanged.

### AGRICULTURAL CONDITIONS

The position of the West of England farmer has entirely altered within the past month due to improvement in weather conditions. Although hay is below the average in quality, it is plentiful. Grains and root crops generally are in a satisfactory condition. A good quality malting barley will be offered for sale; apart from this, few West of England agricultural products, except cheese and bacon, will reach the market in any quantity.

### MARKET DEMAND

Due in large part to the continued activity in the building trades, the demand for timber is maintained. Stocks are reduced and the arrival of new goods is being awaited. The proportion this year available from the chief European exporting countries and already sold is so near the shippers' permitted export quotas that attention is being directed to Western Canadian timber to provide sufficient quantities to meet the demand.

Tanners of leather in the West of England report that business, while not so active as during the early months of the year, is being maintained at a fairly satisfactory level, and prices have been steady. The demand for bends for repairing and for black and tan glazed kid remains good.

Business in canned fruits and vegetables is well maintained, although disturbed conditions in Spain render imports from that source difficult and uncertain.

Both residential and commercial building is proceeding satisfactorily. Municipal housing schemes are, as usual, contributing substantially to the total. The Bristol Corporation has planned for the erection of approximately 600 new dwellings annually in addition to over 2,000 to be provided by private enterprise.

### SOUTH WALES

Trade returns for the leading Welsh ports for the first half of this year totalling 10,641,287 tons, represent a decline of 1,690,827 tons as compared with the corresponding period of 1935. The falling off in coal and coke shipments alone was 1,497,398 tons.

On August 1 the Control Board, established for South Wales for the central selling of coal, came into operation. It is still too early to estimate the value of this scheme, but it is anticipated that more orderly marketing will result. The primary object is to put the industry on a sounder financial basis and enable higher rates of wages to be paid to the miners.

### BARTER ARRANGEMENTS

South Wales is party to a barter arrangement with France for the supply of 300,000 tons of pitwood a year in return for 480,000 tons of coal. Early this year another agreement was made between local importers and Portuguese pitwood shippers whereby Portugal was to purchase practically all her requirements of coal, amounting to nearly 1,000,000 tons, from South Wales in return for a market of 375,000 tons of pitwood at 21s. 6d. per ton. Newfoundland normally supplies about 100,000 tons and the Scandinavian countries a similar quantity annually. During the last week in July there arrived in Cardiff from Canada a shipment of 1,833 loads.

### IRON AND STEEL TRADES

Conditions are firm in the South Wales iron and steel trades and, although the abnormal activity of recent months has shown signs of seasonal slackening, the outlook for the immediate future is encouraging in practically all sections of the industry. The tinplate demand continues fairly active, with a slight falling off in orders during July and August. The galvanized steel trade, particularly for export, is the only important section of the industry which has shown a reduced volume of business, and prices have remained unchanged for several months.

### CANADIAN CATTLE SHIPMENTS

Shipments of Canadian cattle to Cardiff, which have been discontinued for a number of years, were resumed with the opening of navigation in the St. Lawrence last spring and have been maintained regularly throughout the season. These have, on the whole, been well received, and it is anticipated that shipments will continue throughout the winter. The importers have been pressing for larger lairage accommodation, and the matter is now under consideration.

### SOUTH MIDLANDS

Industrial activity in the Midlands has been maintained at high levels, and the demand for skilled labour continues to exceed the supply in some sections where day and night shifts have become necessary. The iron and steel industry is busy, and plants are fully employed.

Work on aeroplane engines and bodies is going ahead rapidly, and several companies have entered this field which formerly were associated solely with the motor car trade. New factories are being erected throughout the Midlands in co-operation with the Air Ministry.

#### MOTOR CAR INDUSTRY

Seasonal slackness in the Coventry motor car industry in August was much less pronounced than in previous years due to the fact that several concerns announced their new-season's program early instead of waiting for the National Motor Show in the autumn. Comparatively few changes in model are contemplated by manufacturers this year, the main feature being the introduction of increased horse-power for medium class vehicles, a direct result of the reduction in the horse-power tax.

Slow but steady expansion is reported in the motor cycle trade both for domestic and export markets. Bicycle makers are well employed, the demand being especially good for sports models, while tandems are becoming increasingly popular. The fact that there are to-day 98 per cent more pedal cycles on the roads of Great Britain than in 1931 is an indication of the expansion in this trade.

#### CLOTHING INDUSTRY

The abnormally cool and wet summer has adversely affected the clothing industry in Leicester, although forward orders for the autumn trade have been encouraging. Recent warm weather has made it possible to clear a part at least of the light stock which a few weeks ago appeared unsaleable. The demand for silk hosiery has been maintained at an average level.

#### LEATHER AND FOOTWEAR

The leather market is dull, but prices have remained firm. In some sections supplies are short as tanners still consider prices inadequate. The boot and shoe trade has been quiet, and conditions can be described as only barely up to the average for this time of year. As far as ladies' shoes are concerned, the unfavourable weather conditions during the summer months were responsible for the slackness in business, but the outlook for the autumn trade is distinctly encouraging.

### INDIAN WHEAT CROP, 1935-36

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, Sept. 1, 1936.—Based on returns of finally revised acreage and out-turn of the wheat crop of the season 1935-36, the total area is now given as 33,631,000 as against 34,490,000 acres last year, or a decrease of 2 per cent. The total yield of the crop, which has already been harvested, is estimated at 352,240,000 bushels as compared with 363,178,666 bushels in 1934-35, or a decrease of 3 per cent.

The present estimates of yield as compared with the final figures of last year show a decrease in the important wheat-growing areas. The yield per acre in the present season is 10.46 bushels as compared with 10.53 bushels last season.

During the year 1935-36, 358,400 bushels were exported as compared with 410,666 bushels in the previous year, while in the first three months of 1936-37 (i.e. April, May, and June) exports amounted to 227,733 bushels. These were consigned mainly to the United Kingdom. On the other hand, in 1935-36 imports amounted to 485,333 bushels, all from Australia.

## FOREIGN TRADE OF GERMANY, JANUARY-JUNE, 1936

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(R.M.I is approximately equal to Can.\$0.40)

Hamburg, September 17, 1936.—The results of Germany's foreign trade during the first six months of 1936, which have recently come to hand, indicate a substantial improvement as compared with those of the similar period of 1935. Total trade values have increased and a large unfavourable balance has been converted into a favourable one through reductions in imports and increased export sales. The principal details of this trade are given herewith:—

	Jan.-June, 1935	Jan.-June, 1936
Imports .. . . .	R.M.2,126,917,000	R.M.2,110,994,000
Exports .. . . .	1,962,333,000	2,242,704,000
Total .. . . .	4,089,250,000	4,353,698,000
Balance .. . . .	—164,584,000	+131,710,000

### TRADE BY CONTINENTS AND COUNTRIES

The most noteworthy alterations in Germany's trade by continents and countries are a heavy decrease in imports from European countries, accompanied by a large increase in exports to these markets, and increased imports from North and South American countries, which are, however, considerably less than the improvement in German exports to these territories.

Imports from the United Kingdom, France, Holland, Soviet Russia, and Switzerland have all declined appreciably, the fact being significant that such trade from France and Soviet Russia has shown particularly heavy losses. Exports to all of Germany's principal European markets have improved, except in the case of Switzerland. Among Asiatic countries there have been improvements in imports and exports from and to British India and China, but declines in all trade with Japan and in imports from Netherlands India. Purchases from the United States increased perceptibly, with exports remaining more or less stationary. Exports to Argentina, Brazil, Chile, Colombia, Mexico, and Peru show substantial improvement, although in the case of Argentina and Brazil imports have fallen off to a surprisingly large degree. The half-year's trade with Australasia and Polynesia shows small changes except for some improvement in German exports to these markets.

### TRADE WITH CANADA

On a basis of official German returns there has been a general improvement in Canadian-German trade during the first half of the present year as compared with that of 1935. Data of imports from and exports to Canada are as follows:—

	Jan.-June, 1935	Jan.-June, 1936
Imports from Canada.. . . .	R.M.6,476,000	R.M. 9,751,000
Exports to Canada.. . . .	8,935,000	10,690,000

Owing to alterations in German statistical classification, a precise comparison of recent trends in Canadian trade with this market is impossible, but it may still be noted that a large part of our increased sales to Germany have been of metals and ores, principally nickel ore. Wheat imports have increased slightly, but this trade is, and must remain for some time, of negligible import-

ance. Germany's purchases of raw wool, sausage casings, and lumber have also increased, although the business in furs, fruit, wood-pulp, and a number of other articles formerly sold to this market has declined or disappeared entirely.

In so far as German trade to the Canadian market is concerned, a large increase is recorded in the case of anthracite coal, and it is also to be presumed that shipments of dyes and chemicals, hardware, and machinery have been maintained or improved.

The comparatively small balance in Germany's favour which is indicated in the returns herein referred to is not confirmed by Canadian statistics, which indicate, for the period January to May, an almost precisely similar figure of exports to Germany but a much larger value of German imports and a half-year's unfavourable balance of slightly over \$1,000,000.

## WHEAT AND FLOUR TRADE REGULATION IN EUROPEAN COUNTRIES

### XIII<sup>1</sup>

#### Norway

J. A. MacDONALD, ASSISTANT TRADE COMMISSIONER

Oslo, August 28, 1936.—There are no official restrictions on the importation of wheat and flour into Norway, and there is no tariff on these commodities. The import trade in grain and flour is, however, conducted exclusively by the Norwegian State Grain Monopoly, "Statens Kornforretning," which regulates and controls the trade in accordance with the policy of the Government.

#### STATE GRAIN MONOPOLY

The Monopoly, in its present form, was established by Grain Law of June 22, 1928, which came into force on July 1, 1929. The law provides that the Monopoly will be conducted by a managing director with a board of seven members elected by Parliament for a period of three years. The board holds meetings at least every three months to discuss important questions. The decision always rests with the director, except in cases of great importance, when the matter must be referred to the Department of Agriculture and Fisheries. In cases where the unanimous opinion of the board is contrary to the opinion of the director, the question must also be referred to the department.

The functions of the Monopoly are threefold: (1) to import from abroad such quantities of grain and flour as are necessary to meet the requirements of the country, (2) to buy all home-grown grain offered for sale by growers, and (3) to sell the products in the most expedient way and at the lowest possible price.

In discharging their duties with respect to the import of grain and flour the Monopoly, like a private company, strives to take full advantage of market fluctuations and to purchase their requirements at the lowest possible price. With respect to the purchase of home-grown grain, however, the Monopoly adopts a paternal attitude and seeks to pay the Norwegian grower as much as possible for his grain without unduly raising the price of flour.

<sup>1</sup> Previous reports on this subject were published as follows: United Kingdom (No. 1695); Switzerland (No. 1697); Netherlands, Germany and Czechoslovakia (No. 1698); Irish Free State and Portugal (No. 1699); Belgium (No. 1700); Italy (No. 1701); and Denmark and Finland (No. 1703).

## IMPORT AND DISTRIBUTION

The Monopoly is obliged by law to buy all home-grown bread grain offered by the farmers, provided it is fit for human consumption. Imports of foreign grain and flour therefore represent only requirements over and above domestic offerings. Purchases of foreign wheat and flour are made on the basis of offers submitted daily by the resident agents of the grain exporters and flour millers. Terms of purchase are partly f.o.b. and partly c.i.f. Wheat from North America and Argentina is usually bought f.o.b. the different loading ports, which enables the Monopoly to utilize Norwegian shipping and insurance services. Wheat from other markets and wheat flour are usually bought f.o.b. Norway.

## INSPECTION

On arrival in Norway, all wheat and flour shipments are carefully inspected by the Monopoly. The wheat is then delivered to the merchant mills, usually located at the ports, which are under contract to receive and grind the grain in accordance with instructions from the Monopoly. The mills store the flour and millfeed and dispose of these commodities at their own responsibility—but at prices fixed by the Monopoly. The mills are paid a fixed rate for grinding the wheat and storing and disposing of the flour and millfeed.

Imported flour is similarly handled. Following inspection at the port of entry, it is taken over by specified wholesale houses which are under contract with the Monopoly to distribute it at their own risk against a certain compensation. The selling price for each type of flour is the same all over the country, freight charges being equalized by the Monopoly. Changes in prices are telegraphed to all mills and wholesale dealers, and are put into force simultaneously all over the country. The selling prices are calculated on the basis of prices on the world's market, but only on its broad features, as frequent changes have to be avoided if possible. New prices apply to all stocks at the mills and in the hands of wholesale merchants, and losses or gains occasioned through changes in price are adjusted between the different mills and wholesalers and the Monopoly.

From the above summary it will be seen that the activities of the Monopoly have in a large measure deprived private firms of their commercial independence. Nevertheless the mills, flour importers, and agents are still able to carry on their business on comparatively satisfactory terms in co-operation with the Monopoly. Private importers of feeding stuffs are still permitted to import necessary quantities of millfeed under special licence issued by the Monopoly.

## SELLING PRICES

In fixing the selling price of flour the Monopoly works on the principle that the business shall cover its own expenses and leave a moderate profit to be used in various ways for the promotion of the business. In practice, the selling price of flour is kept relatively high, and the profits are used to subsidize local bread grains.

At present Canadian straight flour is being sold by the Monopoly at kr.31.75 per 100 kilos, or about \$7.94 per bag of 100 kilos. The cost to the Monopoly c.i.f. was recently \$5.50 per bag of 100 kilos. Flour milled in Norway from Canadian and other imported wheat is being sold at kr.31 per 100 kilos, or about \$7.75 per bag of 100 kilos. The Monopoly try to strike a selling price which can be maintained for a period of about six months regardless of fluctuations in the cost of imported wheat and flour.

## BUYING DOMESTIC GRAINS

The buying of home-grown grain is conducted by a corps of about eighty local collectors who work for the Monopoly on a commission basis. These collectors receive statements from the farmers as to quality and quantity, make out contracts, and report weekly to the Monopoly. Instructions as to inspection and shipment of the grain are regularly furnished by the Monopoly. Payment is made direct to the farmers from the Monopoly.

The Grain Law provides that domestic wheat, rye, and barley shall be purchased at prices based on the Monopoly's selling prices of grain products—that is to say, the flour prices converted into grain, with milling expenses and the price of millfeeds deducted. As all selling prices of flour are based on c.i.f. delivery to all steamship and railway stations, these prices include the average freight expenses, which are also included in the buying prices for home-grown grain, thus making these grain prices correspondingly higher than the prices for imported grain.

## WHEAT PRICES AND SUBSIDIES

Norwegian farmers are guaranteed a minimum price of 22 öre per kilo for wheat, without bags, which amounts to about \$1.50 per bushel in Canadian currency. The Government has authorized the Monopoly to pay at least that price for domestic wheat regardless of the selling price of flour, and the Government reimburses the Monopoly out of treasury funds for all such emergency payments made to farmers to bring the price up to the guaranteed minimum.

During the years 1929 to 1934 inclusive the Monopoly paid, on the average, kr.5.37 per 100 kilos (about 37 cents per bushel) above the ordinary c.i.f. price for imported wheat. The actual present price for domestic wheat is kr.24 per 100 kilos, without bags (about \$1.64 per bushel). This price has been maintained for the past two years.

The Monopoly has found it inconvenient and difficult to handle all the bread grain produced in the country. Many outlying districts are difficult of access and are far removed from the large mills. Growers in such districts are being encouraged to haul their grain direct to the local country mills, where it is ground at a fixed milling charge and returned to them for home consumption. This relieves the Monopoly of the trouble and expense of handling grain from inaccessible districts, but growers in such districts are nevertheless entitled to the same subsidy as they would have received had they sold their grain to the Monopoly. In order to compensate them in this regard, the Monopoly pays the growers kr.4 for every 100 kilos of wheat, rye, and barley delivered to the country mills and taken back for home consumption. To this bounty the Government adds a further emergency bounty of kr.5 per 100 kilos, which is paid out of the treasury. Therefore the total premium or bounty paid to such growers is kr.9 per 100 kilos, which amounts to about 61 cents per bushel.

It will be noted that the total excess price paid to farmers who sell their wheat to the Monopoly has been estimated over a period of years at 37 cents per bushel, whereas farmers who redeem their wheat in the form of flour for home consumption are paid total bounties amounting to 61 cents per bushel. The Monopoly estimate that it is worth this difference to have the wheat milled and consumed in the area where it is grown, and the bounty of kr.9 per 100 kilos, or 61 cents per bushel, more accurately represents the total wheat subsidy than the average excess above the c.i.f. price of imported wheat.

ITALIAN ECONOMIC PROJECTS

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Milan, September 15, 1936.—It is the policy of the Government of Italy to make the country economically self-sufficient, as far as that is possible. The attempt to produce synthetic wool from casein is one prominent and well-known example. With the end of sanctions, it has been officially stated that the “embargo on purchases of wool and other foreign fibres has not ceased and will not cease.”

RAILWAY ELECTRIFICATION

To free herself from coal importations, Italy is proceeding rapidly with railway electrification. On September 8 a royal decree was published authorizing an expenditure of lire 1,200,000,000 (nearly \$100,000,000) for this purpose. The domestic production of coal has slightly increased in recent years, and was as follows in the years 1929 and 1933-35:—

	Lignite	Anthracite	Soft Coal	Coke
1929.. . . . .	782,045	14,232	202,433	791,607
1933.. . . . .	382,757	67,713	266,650	729,916
1934.. . . . .	408,616	84,547	289,046	817,243
1935.. . . . .	545,482	70,150	372,358	998,379

The program of railway electrification announced in 1933 included the conversion of 4,365 kilometres (2,728 miles) of line to electricity, and with its completion 41 per cent of the railway lines of the country, carrying 60 per cent of the total traffic, will employ current chiefly derived from “white fuel.”

GASOLENE

The possibility of the cutting off of supplies of gasolene during the period of sanctions stirred Italian interest more than anything else. Following the present policy of the reduction of imports, Italy looks to obtain large quantities of pure alcohol from her large sugar and beet industry. In January, 1936, an increase of the plants of the various distilleries of the Sugar and Beet Corporation was authorized for this purpose. As a result, the vice-president of that corporation now announces that there is at present a large increase in the Italian production of pure alcohol. Over lire 100,000,000 (about \$8,000,000) is stated to have been expended in the last seven months on plants for the production of fuel alcohol from this means.

STRAW PULP

The Association of Italian Corporations' monthly bulletin gives particulars of another attempt to limit importation in the case of wood-pulp. In 1934 Italy imported 254,641 metric tons of cellulose, and in 1935 this rose to 328,280 metric tons. This dependence of the Italian paper and rayon industries on foreign supplies of cellulose and wood-pulp has long been a matter of concern, and some years ago the Italian chemist, Signor Pomilio, invented a process for obtaining cellulose from wheat and rice straw. Sanctions brought this method to the front, with the result that a large plant has been erected at Foggia, covering an area of 20,000 square metres. Work, it is stated, has started with an initial output of 10,000 metric tons of cellulose per annum, which it is hoped to double. The locality is well selected, it is claimed, as Foggia, with an output of some 300,000 metric tons of wheat, produces about 600,000 tons of straw, so that the 50,000 tons required by the factory can be obtained within a radius of 20 kilometres of the works. The soda and chlorine required in the process of manufacture are obtained by the electro-lithic treatment of common salt supplied by the neighbouring salt mines, and the electric power is obtained from the hydraulic power stations fed by the waters of the artificial lakes of the Sila in Calabria. It is added that similar plants will soon arise in other wheat-growing districts of Italy; and in Naples the esparto grass imported from Libya will feed other works.

## TRADE OF PORTUGAL IN 1935

J. C. DEPOCAS, ASSISTANT TRADE COMMISSIONER

(One escudo equals 4.55 cents Canadian; one conto equals 1,000 escudos)

Milan, August 21, 1936.—The total trade of Portugal during 1935 totalled 3,218,674 contos (\$146,449,667) as compared with 2,875,748 (\$130,846,408) in 1934 and 2,707,801 contos (\$123,204,945) in 1933, an increase of 12 per cent over 1934 and of 19 per cent over 1933. Imports for consumption amounted to 2,294,950 contos (\$104,420,225) in 1935, 1,966,285 contos (\$89,465,967) in 1934, and 1,905,347 contos (\$86,693,288) in 1933, and exports to 923,724 contos (\$42,029,442), 909,462 contos (\$41,380,541), and 802,453 contos (\$36,511,657) respectively. The resulting surplus of importation over exportation was thus 1,371,225 contos (\$62,390,783) in 1935, 1,056,823 contos (\$48,085,426) in 1934, and 1,102,894 contos (\$50,181,631) in 1933.

Since 1932 there has been no export of gold or silver in bars or bullion, but imports totalled 377,094 contos (12,837 of silver and 364,257 of gold) in 1933, 163,316 contos (6,842 of silver and 156,474 of gold) in 1934, and 6,048 contos (1,223 of silver and 4,825 of gold) in 1935.

## PRINCIPAL SOURCES OF SUPPLY

The leading sources of imports for the last three years, together with percentages, were:—

	1935		1934		1933	
	Contos	Per Cent	Contos	Per Cent	Contos	Per Cent
United Kingdom . . . . .	592,144	25.8	451,047	22.9	542,017	28.5
Germany . . . . .	287,396	12.5	269,036	13.7	249,575	13.1
United States . . . . .	260,334	11.3	192,766	9.8	180,829	9.5
Belgium . . . . .	180,922	7.9	162,362	8.3	155,900	8.2
Portuguese Colonies . . . . .	189,094	8.2	215,552	11.0	199,770	10.5
France . . . . .	122,260	5.3	94,599	4.8	97,821	5.1
Spain . . . . .	91,562	4.0	70,529	3.6	71,283	3.7
Holland . . . . .	78,141	3.4	70,381	3.6	55,028	2.9
Brazil . . . . .	66,260	2.9	63,279	3.2	22,291	1.2
Italy . . . . .	59,289	2.6	53,835	2.7	48,231	2.5
Iceland . . . . .	45,594	2.0	43,651	2.2	37,246	2.0
India . . . . .	43,572	1.9	15,607	0.8	10,709	0.6
	87.8		86.6		87.8	

## PRINCIPAL COUNTRIES OF DESTINATION

The principal countries of destination of Portuguese goods, together with percentages credited to each, were:—

	1935		1934		1933	
	Contos	Per Cent	Contos	Per Cent	Contos	Per Cent
United Kingdom . . . . .	214,992	23.3	216,351	23.8	179,729	22.4
Germany . . . . .	125,877	13.6	106,664	11.7	76,292	9.5
Portuguese Colonies . . . . .	113,501	12.3	103,931	11.4	121,115	15.1
France . . . . .	92,199	10.0	88,580	9.7	78,274	9.8
Belgium . . . . .	55,201	6.0	43,791	4.8	50,098	6.2
United States . . . . .	54,035	5.9	49,153	5.4	56,125	7.0
Spain . . . . .	42,354	4.6	44,263	4.9	41,261	5.1
Brazil . . . . .	36,658	4.0	40,267	4.4	51,376	6.4
Italy . . . . .	25,588	2.8	26,479	2.9	19,251	2.4
Holland . . . . .	16,818	1.8	14,433	1.6	18,419	2.3
Denmark . . . . .	15,842	1.7	14,590	1.6	12,364	1.5
Sweden . . . . .	13,994	1.5	10,042	1.1	7,464	0.9
	87.5		83.3		88.6	

The principal items of export were, in order of decreasing importance: wines, cork and its manufactures, canned sardines, cotton thread, resins, olive oil, and nuts in the shell. Imports consisted mostly of raw cotton, iron and steel

rolled or in wire form, coal and coke, codfish, machinery, mineral oils, raw sugar, oleaginous seeds, passenger cars, hides and skins, wool, olive oil, ammonium sulphate, motor trucks, coffee, and rubber tires.

#### TRADE WITH CANADA

According to Portuguese statistics, total trade with Canada amounted to 7,507·7 contos, as against 5,378·9 contos in 1934 and 3,629 contos in 1933. Imports into Portugal were valued at 3,315 contos in 1935, 1,759 contos in 1934, and 1,407·5 contos in 1933, and exports at 4,192·7 contos, 3,619·9 contos, and 2,221·5 contos for the respective years. Thus there was a surplus in favour of Portugal for each of these three years of 877·7, 1,860·9, and 814 contos. The following gives the figures in terms of dollars:—

	1935	1934	1933
Imports from Canada . . . . .	\$ 150,832	\$ 80,034	\$ 64,041
Exports to Canada . . . . .	190,767	164,705	101,078
In favour of Portugal . . . . .	\$ 39,935	\$ 84,671	\$ 37,037

According to Dominion Bureau of Statistics, the total trade between the two countries for the same calendar years amounted to:—

	1935	1934	1933
Exports from Canada . . . . .	\$ 140,117	\$ 76,790	\$ 84,027
Imports into Canada . . . . .	158,499	195,977	135,465
In favour of Portugal . . . . .	\$ 18,382	\$ 119,187	\$ 51,438

But as the Azores and Madeira are not, in the Portuguese statistics, considered as colonies but as administrative parts of Portugal, all imports into and exports from these islands are included in the figures describing Portuguese foreign trade. The Dominion Bureau of Statistics, on the other hand, make a distinction between the two, and it is necessary therefore to merge the figures. Canada's trade with the Azores and Madeira for the last three years has been as follows:—

	1935	1934	1933
Exports from Canada to Azores and Madeira	\$ 5,566	\$ 24,159	\$ 19,913
Imports into Canada from Azores and Madeira	160,108	118,904	83,920
In favour of Azores and Madeira . . . . .	\$ 154,542	\$ 94,745	\$ 64,007

The trade surplus for Portugal is in reality:—

	1935	1934	1933
Portuguese statistics . . . . .	\$ 39,935	\$ 84,671	\$ 37,037
Dominion Bureau of Statistics . . . . .	172,924	213,858	115,445

The Portuguese statistics indicate that the main items of imports from Canada during 1935 were: rubber tires and tubes, 2,205 contos; wheat, 429 contos; hides and skins, raw, dressed or dry, 244 contos; passenger cars, 133 contos; electric accumulators, 95 contos; rubber boots and shoes, 47 contos; and in 1934 they were: codfish, 526 contos; lumber, 380 contos; rubber tires, 353 contos; hides and skins, 188 contos; agricultural implements, 77 contos; flour for soups, 52 contos; rubber goods, 34 contos; and wooden products, 20 contos.

In the Portuguese statistics values of imports are c.i.f. prices, but export statistics are based on a table of values which is fixed monthly. These values are considerably lower than current prices, and Portuguese exports, to be represented at their true value, should be increased by from 75 to 80 per cent.

This factor being taken into consideration, the surplus of imports over exports becomes much smaller than shown in a preceding paragraph of this report, the trade of Portugal with each individual country is not so one-sided, and the balance in favour of Portugal in her trade with Canada becomes \$183,010 instead of \$39,935 for 1935, and \$212,451 instead of \$84,671 for 1934.

These figures and those of the Dominion Bureau of Statistics are almost equal.

## SUMMARY OF THE TRADE OF CANADA: MONTH, EIGHT MONTHS, AND TWELVE MONTHS ENDING AUGUST, 1936

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of August, 1936				Eight Months ending August, 1936				Twelve Months ending August 1936			
	Total Imports	From United Kingdom	From United States		Total Imports	From United Kingdom	From United States		Total Imports	From United Kingdom	From United States	
	\$	\$	\$		\$	\$	\$		\$	\$	\$	
<i>Imports for Consumption</i>												
Agricultural and Vegetable Products.....	9,062,483	1,569,038	2,756,183		74,775,665	10,549,606	24,508,584		112,924,028	17,224,806	33,594,862	
Animals and Animal Products.....	7,979,587	349,213	2,869,997		16,995,018	2,486,686	8,462,833		24,986,864	3,188,501	11,555,995	
Fibres, Textiles and Textile Products.....	7,971,246	3,923,267	2,255,337		63,897,883	29,776,754	20,796,960		92,958,366	42,710,990	31,396,003	
Wood, Wood Products and Paper.....	2,302,671	325,496	1,807,044		16,953,594	2,190,310	13,590,960		25,125,681	3,537,907	19,628,487	
Iron and its Products.....	9,298,712	1,990,801	6,890,020		88,337,104	13,759,350	71,287,402		124,381,697	21,356,369	97,655,020	
Non-ferrous Metals and their Products.....	3,020,568	512,271	1,790,895		23,375,040	3,483,672	16,962,319		34,460,344	5,199,959	24,053,750	
Non-Metallic Minerals and their Products.....	10,866,013	1,145,871	7,535,217		70,629,284	8,103,240	53,103,240		109,561,378	13,259,314	80,989,413	
Chemicals and Allied Products.....	2,832,310	550,389	1,472,011		20,088,875	4,022,624	12,116,903		31,041,514	6,584,402	17,991,374	
Miscellaneous Commodities.....	3,523,964	779,724	2,232,449		22,860,928	4,072,829	15,719,227		34,411,227	6,163,767	23,221,899	
<b>Total Imports, 1936</b> .....	50,257,754	11,086,100	27,609,153		397,883,401	78,524,950	235,948,188		589,551,099	119,906,015	339,996,703	
<b>1935</b> .....	49,560,063	11,718,035	26,391,774		338,346,853	75,289,162	208,368,089		536,774,660	115,444,581	327,260,914	
<b>1934</b> .....	43,507,331	9,756,052	24,284,212		335,041,690	73,260,565	194,886,988		493,889,477	112,758,607	276,910,911	
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	30,064,133	13,562,275	10,364,999		180,780,380	100,858,532	35,025,139		295,141,014	176,727,358	57,888,513	
Animals and Animal Products.....	11,133,342	6,461,703	3,577,215		78,904,674	41,177,820	30,535,058		115,321,716	62,493,671	39,991,338	
Fibres, Textiles and Textile Products.....	1,168,802	174,896	199,240		7,864,001	1,635,406	1,857,996		11,449,088	2,388,521	2,856,183	
Wood, Wood Products and Paper.....	19,132,425	3,567,148	12,571,704		129,000,335	19,862,917	88,298,084		195,667,389	31,308,559	133,656,978	
Iron and its Products.....	3,573,159	555,966	491,277		34,640,621	7,871,075	4,001,649		11,228,147	2,034,861	6,034,861	
Non-ferrous Metals and their Products.....	22,312,625	5,739,615	14,340,127		129,820,008	48,979,314	60,796,165		214,769,289	69,708,945	113,990,845	
Non-Metallic Minerals and their Products.....	2,361,702	393,263	1,493,243		13,998,915	1,646,042	8,097,427		21,425,209	2,573,498	13,015,936	
Chemicals and Allied Products.....	1,202,250	281,817	459,107		11,389,110	2,300,811	5,337,992		16,907,409	3,458,877	7,719,743	
Miscellaneous Commodities.....	1,404,958	202,078	901,919		9,868,780	2,572,800	5,611,800		14,172,906	3,319,393	8,408,578	
<b>Totals, 1936</b> .....	92,559,495	30,938,761	44,398,831		596,266,844	226,904,717	240,752,310		935,634,386	363,206,969	383,563,475	
<b>1935</b> .....	75,676,436	32,669,564	29,844,902		485,916,572	170,594,790	215,755,571		767,268,753	289,726,763	322,350,756	
<b>1934</b> .....	65,328,375	24,782,261	25,671,415		477,283,030	178,122,591	194,566,224		731,896,149	299,121,682	263,964,945	
<i>Exports (Foreign Produce)</i>												
Totals, 1936.....	970,261	52,889	851,919		6,777,147	640,893	5,643,017		12,508,085	908,228	10,856,772	
<b>1935</b> .....	961,924	78,654	812,566		7,328,007	549,987	6,321,002		9,670,268	803,140	8,181,510	
<b>1934</b> .....	587,689	34,554	483,809		4,673,531	624,645	3,589,478		7,000,863	849,447	5,443,349	
<i>Excess of Imports (i) or All Exports (e)</i>												
Totals, 1936.....	(e) 43,272,002	(e) 19,905,550	(e) 17,641,597		(e) 205,160,590	(e) 149,020,660	(e) 10,447,139		(e) 355,291,372	(e) 244,208,182	(e) 54,425,544	
<b>1935</b> .....	(e) 27,078,297	(e) 21,030,183	(e) 4,265,694		(e) 134,897,726	(e) 95,855,615	(e) 13,711,484		(e) 240,164,391	(e) 175,083,312	(e) 23,271,352	
<b>1934</b> .....	(e) 22,409,733	(e) 15,060,763	(e) 1,871,012		(e) 146,924,871	(e) 105,486,671	(e) 3,208,714		(e) 187,212,527	(e) 187,212,527	(e) 7,502,617	

## TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in Canada in the interest of Canadian trade with their respective territories: Mr. G. B. Johnson, Glasgow; Mr. Frederick Palmer, Bristol (whose territory includes the West of England, South Wales and South Midlands); Mr. Hercule Barré, Paris (whose territory includes the French colonies in North Africa); Mr. L. M. Cosgrave, Melbourne; and Mr. R. P. Bower, who was Acting Trade Commissioner at Batavia, Java.

Their itineraries are as follows:—

### Mr. Johnson

Vancouver, New Westminster .. . . .	Oct. 5 to Oct. 7	Edmonton .. . . .	Oct. 17
Victoria .. . . .	Oct. 8 to 10	Saskatoon .. . . .	Oct. 19
Vernon, Kelowna, Penticton .. . . .	Oct. 13 and 14	Regina .. . . .	Oct. 20
Calgary .. . . .	Oct. 15	Winnipeg .. . . .	Oct. 21 and 22
Lethbridge .. . . .	Oct. 16	Ottawa and district .. . . .	Oct. 26 to 29
		Belleville and district .. . . .	Oct. 30 and 31

### Mr. Palmer

Toronto .. . . .	Oct. 5 to 15	Montreal .. . . .	Oct. 19 to 29
Oshawa .. . . .	Oct. 16	Waterloo .. . . .	Oct. 30
Pictou .. . . .	Oct. 17	Granby .. . . .	Oct. 31

### Mr. Barré

Montreal .. . . .	Oct. 5 to 15	Ottawa .. . . .	Oct. 20 and 21
Granby .. . . .	Oct. 16	Quebec .. . . .	Oct. 22 and 23
Three Rivers .. . . .	Oct. 19		

### Mr. Cosgrave

Vancouver .. . . .	Oct. 5 to Nov. 3
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### Mr. Bower

Montreal and district .. . . .	Oct. 5 to Oct. 10	Kitchener .. . . .	Oct. 29
Toronto and district .. . . .	Oct. 12 to 24	Galt, Preston, Hespeler .. . . .	Oct. 29
Hamilton, Winona .. . . .	Oct. 26 and 27	Guelph .. . . .	Oct. 30
Brantford .. . . .	Oct. 27	Stratford .. . . .	Oct. 31
Thorold, St. Catharines .. . . .	Oct. 28		

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Winnipeg, Edmonton, Vancouver and Victoria, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## FLOUR REQUIREMENTS OF HAITI

F. W. FRASER, CANADIAN TRADE COMMISSIONER

(One gourde equals 20 cents United States currency)

Kingston, Jamaica, September 18, 1936.—Imports of wheat flour into Haiti during the fiscal year ended September 30, 1935, were the lowest recorded during any year for the past twenty years, amounting to only 10,789,229 kilos valued at 3,268,710 gourdes. The average annual consumption during the period 1916-17 to 1925-26 was 20,257,680 kilos, and during the period 1926-27 to 1930-31, 27,710,108 kilos. The peak was reached in 1924, when over 40,000,000 kilos were brought in, but since that year, except for some recovery in 1928, the decline has been steady and substantial.

## IMPORTS

The following table shows the imports of flour into Haiti during the fiscal years ended September 30, 1930 to 1935 inclusive, with countries of origin:—

	From Canada		From United States		Total	
	Kilos	Gourdes	Kilos	Gourdes	Kilos	Gourdes
1930.. . . . .			19,876,273	7,629,603	19,876,285	7,629,613
1931.. . . . .	16,000	3,975	23,515,085	6,640,970	23,531,174	6,644,975
1932.. . . . .			19,941,336	4,965,715	19,941,336	4,965,715
1933.. . . . .	378,815	90,745	10,984,008	2,775,370	11,362,903	2,866,115
1934.. . . . .	1,503,639	417,282	11,507,166	3,281,283	13,010,805	3,698,565
1935.. . . . .	1,275,365	377,155	9,511,568	2,890,900	10,789,229	3,268,710

While the total figures above shown may be taken as correct, it is doubtful if the proportions shown as originating in Canada and the United States are even approximately so. An examination of steamship manifests for the calendar years 1934 and 1935 reveals a much larger proportion as having originated in Canada than the customs statistics show. The figures are given below:—

	From Canada <sup>1</sup> Bags of 196 Lbs.	Total Imports Bags of 196 Lbs.
1934 .. . . . .	16,280	71,125
1935 .. . . . .	11,530	54,870
1936 (6 months) .. . . . .	9,650	37,710

<sup>1</sup> I.e., shipped by Canadian mills.

## BAKING PRACTICE

Most of the bread consumed in Haiti is provided by the so-called commercial baker, and the demand is principally for a hard wheat flour. Baking practice is of the most primitive kind. The baker employs rule-of-thumb methods, and little attention is paid to weighing or measuring the various ingredients which go into the mixture—indeed few bake-shops include weigh-scales among their equipment. It must be admitted, however, that the average Haitian loaf is superior in texture, appearance, and flavour to that produced in some other countries where more up-to-date methods are employed.

The practice of blending two or more brands is general, although it is difficult to see where any advantage accrues to the baker in doing so. One baker mixes two well-known brands of flour, both made from Canadian hard wheat and of similar grade. These were mixed in the proportion of two to one, and the baker is quite satisfied that he gets better results than would be possible from either brand baked alone.

## SHIPPING FACILITIES

Most of the flour entering Haiti is shipped from New York, but shipments are also made from Pacific and Gulf ports, and during the past year fair quantities have arrived from Halifax. Out of a total of 71,123 bags imported in 1934, 41,170 were shipped from New York, 19,684 from United States Pacific ports, 5,891 from Vancouver, and 4,380 from Gulf ports. Of the 54,870 bags shipped in 1935, 37,090 came via New York, 6,300 via San Francisco, 5,430 via Halifax, and 5,000 via Gulf ports. During the first six months of 1936, 37,710 bags were imported, of which 29,590 came through New York, 4,770 through Halifax, 2,700 through San Francisco, and 650 through Gulf ports.

The following steamship services operate to Haiti from Canada and the United States:—

*From Halifax.*—Pickford & Black Line.—Steamers call at Port-au-Prince southbound as cargo offers.

*From New York.*—Panama Railroad Steamship Line.—Weekly freight service between New York and Port-au-Prince. Colombian Line.—Weekly service between New York and Port-au-Prince, freight, passenger, and mail; also a monthly freight service between New York and all Haitian ports. Royal Netherlands Steamship Company.—Weekly sailings between New York and Port-au-Prince, with an occasional boat calling at the outports as cargo offers. This line also operates a fortnightly service to Europe.

*From the Gulf Ports.*—The Aluminum Line and Lykes Bros. Steamship Company.

## REPRESENTATION

Importation of flour is largely confined to about a dozen merchants in Port-au-Prince and one or two in each of the principal outports. Some of these merchants hold the representation of certain mills direct, while others buy through locally appointed agents. While such representation usually means that the mill confines its sales to one merchant, it does not necessarily mean that the merchant buys only from that mill. Such a connection, however, from the mill's standpoint, has the advantage of being safe and should command a fair share of the trade, particularly as some of these merchants have subagents in the outports.

On the other hand, there has been a tendency during recent years for a good deal of business to be passed through locally appointed agents who work on commission. Communications with the outports have been so improved that agents located in Port-au-Prince are now able to cover the whole territory with comparative ease, whereas previously their operations were confined largely to the capital.

Customary terms are acceptance at thirty, forty-five, or sixty days, with discount for cash, usually 20 cents per sack of 196 pounds. The larger firms are only too glad to take this discount, so that a good share of the entire flour business of Haiti is done on a cash basis.

## IMPORT DUTY

The import duty on flour is at the rate of 0.25 gourde per net kilo, plus a surtax of 5 per cent of the duty (about \$4.65 per bag of 196 pounds).

## TRADE OF NICARAGUA IN 1935

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

(One cordoba, at the official rate, is equal to U.S.\$1.10)

Panama, August 26, 1936.—The Republic of Nicaragua is suffering from the lack of demand abroad and low prices obtained for her exportable products. In his recently issued report for the calendar year 1935, the Receiver-General of Customs of Nicaragua stated that importations during 1936 would likely be curtailed owing to the scarcity of foreign exchange and the great difficulties merchants are encountering in endeavouring to pay for merchandise already imported.

## FOREIGN TRADE

Despite many unfavourable factors, the foreign trade of Nicaragua has shown increases for each of the last four years. During the calendar year 1935 the total foreign commerce of Nicaragua was valued at cordobas 10,731,039 as compared with cordobas 9,840,366 for 1934, cordobas 8,676,757 for 1933, and cordobas 8,021,475 for 1932.

## BALANCE OF TRADE

For the past six years Nicaragua has enjoyed a substantial favourable balance of trade as shown in the following table:—

Year	Total Imports Cordobas	Total Exports Cordobas	Balance of Trade Cordobas
1928 . . . . .	13,350,451	11,693,212	—1,657,239
1929 . . . . .	11,797,440	10,872,526	— 924,914
1930 . . . . .	8,172,360	8,343,358	+ 170,998
1931 . . . . .	6,015,481	6,575,058	+ 559,577
1932 . . . . .	3,479,878	4,541,597	+1,061,719
1933 . . . . .	3,814,261	4,862,496	+1,048,235
1934 . . . . .	4,610,130	5,230,236	+ 620,106
1935 . . . . .	5,072,876	5,658,163	+ 585,287

It seems noteworthy that the year 1928, which recorded the largest total value for foreign trade in the history of the country, cordobas 25,043,663, also recorded an unfavourable balance of trade of cordobas 1,657,239, and it would

appear that any considerable further increase in the total value of the foreign trade of Nicaragua might convert the present favourable balance into an unfavourable one.

### IMPORTS

Importations into Nicaragua during the calendar year 1935 totalled cordobas 5,072,876 as compared with cordobas 4,610,130 for the year 1934. Details of this trade by some of the principal commodities are given below:—

#### *Imports into Nicaragua by Commodities*

Commodity	Imports, 1934	Imports, 1935
	Cordobas	Cordobas
Total . . . . .	4,610,130	5,072,876
Cotton and manufactures of . . . . .	1,336,470	1,369,483
Petroleum products and other oils . . . . .	486,878	486,681
Iron and steel and manufactures of . . . . .	342,833	422,702
Chemicals and pharmaceutical products . . . . .	342,312	341,342
Machinery, n.o.p. . . . .	245,234	310,231
Machinery, agricultural . . . . .	68,448	93,457
Wheat flour . . . . .	247,336	244,974
Cereal foodstuffs and preparations . . . . .	27,212	20,314
Other cereals and flours . . . . .	14,322	40,573
Milk (including preserved) . . . . .	16,409	20,773
Butter . . . . .	5,420	4,720
Cheese . . . . .	1,924	2,161
Meat and meat products . . . . .	11,701	13,350
Lard . . . . .	26,270	39,869
Vegetables . . . . .	47,816	37,306
Fish and marine products . . . . .	11,921	16,935
Beer . . . . .	8,576	11,732
Spirits and liquors . . . . .	16,316	22,367
Wines . . . . .	9,602	16,652
Tobacco and manufactures of . . . . .	55,038	53,684
Cement . . . . .	23,397	37,355
Paints, pigments, colours and varnishes . . . . .	39,679	43,121
Wood and manufactures of . . . . .	28,578	44,677
Copper and alloys and manufactures of . . . . .	30,718	42,932
Paper and manufactures of . . . . .	134,627	159,251
Jute sacks . . . . .	97,628	94,182
Leather and hides and manufactures of . . . . .	126,298	107,358
Rubber, gutta percha and manufactures of . . . . .	41,166	53,671
Soap . . . . .	30,556	30,743
Glass and glassware . . . . .	40,078	55,336
China ware and porcelain . . . . .	13,181	31,592
Firearms . . . . .	10,759	7,902
Explosives . . . . .	39,201	30,088
Metals, tin, lead, zinc and manufactures of . . . . .	9,962	14,154
Automobiles and parts . . . . .	21,331	37,267
Vehicles, all other . . . . .	34,573	39,603
Silk and manufactures of . . . . .	94,815	137,617
Cloth, wool . . . . .	27,236	21,902
Fibres, vegetable and manufactures of, n.o.p.	49,319	70,392
Raw materials n.o.p., also partially manufactured . . . . .	39,844	34,593

#### *Imports into Nicaragua by Countries of Origin*

Country	Imports, 1934	Imports, 1935
	Cordobas	Cordobas
United States . . . . .	2,712,145	2,537,630
Germany . . . . .	378,337	855,164
United Kingdom . . . . .	549,064	593,166
Japan . . . . .	207,503	324,182
Peru . . . . .	125,306	152,450
France . . . . .	120,095	126,990
Honduras . . . . .	21,530	44,066
Italy . . . . .	25,687	34,888
Spain . . . . .	30,601	26,001
Belgium . . . . .	67,643	23,806
Other European countries . . . . .	116,368	88,278
All other countries . . . . .	255,851	266,255
Totals . . . . .	4,610,130	5,072,876

It is possible that Canadian products are being imported into Nicaragua and recorded as being of United States origin, but Canadian statistics confirm the fact that our exporters have not been successful in recent years in supplying any worthwhile share of Nicaraguan import requirements. The table of imports clearly indicates a substantial market in Nicaragua for many products which Canada might be expected to supply, at least in part. Outstanding among these are: wheat flour, other cereals and flours; agricultural machinery; tinned milk; vegetables; fish and marine products; alcoholic beverages; paints, varnishes, pigments, and colours; paper; leather; and explosives.

### EXPORTS

The increases in total importations into Nicaragua have been duplicated in the export field. Total exports from Nicaragua during the calendar year 1935 were valued at cordobas 5,658,163 as compared with cordobas 5,230,236 in 1934, cordobas 4,862,496 in 1933, and cordobas 4,541,597 in 1932. Details of Nicaraguan export trade are given below:—

#### *Principal Exports from Nicaragua*

Commodity	Exports, 1934	Exports, 1935
	Cordobas	Cordobas
Coffee . . . . .	2,374,480	3,118,459
Bananas . . . . .	1,546,282	1,200,875
Timber . . . . .	91,359	140,297
Sugar . . . . .	185,194	88,402
Hides and leather . . . . .	51,355	68,906
Cotton . . . . .	18,016	54,556
Chocolate . . . . .	16,715	17,652
Gold . . . . .	679,837	566,771
Silver . . . . .	21,986	39,088
Miscellaneous other exports . . . . .	245,012	363,157
Total value of all exports . . . . .	5,230,236	5,658,163

With the exception of sugar and bananas the total value of the more important Nicaraguan exports increased during 1935 as compared with 1934. In the case of sugar the decrease is accounted for by the fact that during the year 1934 certain United States interests are said to have accepted Nicaraguan sugar for export as a means of liquidating their "frozen credits," but this operation was not repeated during 1935. The slight decrease in Nicaraguan exports of bananas during 1935 as compared with 1934 may be attributed to crop damages inflicted by hurricane.

### COFFEE AND BANANAS

Coffee and bananas comprise 76 per cent of the total export trade of Nicaragua. During the year 1935 the United States purchased all Nicaragua's exports of bananas, and was the principal purchaser of coffee, followed by France, Germany, the Netherlands, Italy, Finland, and the United Kingdom.

The coffee export returns, in conjunction with those of exports by countries, indicate the extent to which the Nicaraguan exchange control regulations have succeeded in directing purchases to those countries which import Nicaraguan products. According to Nicaraguan statistics, total exports of Nicaraguan products to Canada during the year 1926 were valued at cordobas 100,130, while for the four-year period 1931-34 the figures totalled cordobas 492; no Nicaraguan products were exported to Canada during 1935. In the report of the Receiver-General of Customs of Nicaragua no importations from Canada are recorded, but allowing for possible inaccuracies in recording country of origin, it seems unlikely that the total value of Canadian exports to Nicaragua during the past five years has greatly exceeded the total value of Canadian imports from that country.

## THE "COMPENSATION TRADE" FACTOR

Although officially there is no basis for describing the Nicaraguan exchange control system as designed to regulate the foreign trade of the country on a compensation basis, it appears that Canadian exports to Nicaragua are practically non-existent because Nicaraguan exports to Canada are negligible. Such, however, is not the case in Nicaragua's foreign trade with certain other countries as shown in the table below:—

*Countries which Purchase More from than they Sell to Nicaragua*

Country	Imports from Nicaragua, 1935	Exports to Nicaragua, 1935
	Cordobas	Cordobas
United States . . . . .	3,151,256	2,537,630
France . . . . .	985,698	126,990
Honduras . . . . .	205,627	44,066
Netherlands . . . . .	106,328	10,319
Italy . . . . .	75,790	34,888
Finland . . . . .	62,721	.....
Guatemala . . . . .	53,963	18,587
Spain . . . . .	47,778	26,001
Chile . . . . .	15,300	715
Sweden . . . . .	13,596	.....
Norway . . . . .	8,003	.....

In connection with the above table, it should be pointed out that the lack of statistics regarding imports into Nicaragua of Finnish, Swedish, and Norwegian products may be attributed to the fact that the products of these countries are recorded in Nicaraguan statistics as being of some other origin or that the total of such importations is so small as not to justify separate classification. In either event it is clear that many countries import considerably more from Nicaragua than they export to that country.

On the other hand, as shown in the table below, there are countries which enjoy a substantial share of Nicaragua's import trade but are not recorded as being of importance as markets for Nicaraguan products.

*Countries that Sell More to than they Buy from Nicaragua*

Country	Exports to Nicaragua, 1935	Imports from Nicaragua, 1935
	Cordobas	Cordobas
Germany . . . . .	855,164	699,799
United Kingdom . . . . .	593,166	118,950
Japan . . . . .	324,182	7,044
Peru . . . . .	152,450	9,731
Panama . . . . .	101,769	22,920
Costa Rica . . . . .	29,962	14,806
China . . . . .	10,867	353

Exports from Panama to Nicaragua consist largely of transhipped cargo, but in the other instances the figures given above undoubtedly give an accurate picture of the disparity of the trade between Nicaragua and the countries named. Nicaraguan exports to Germany consist almost entirely of coffee, in return for which Nicaragua is required to purchase German products to at least an equal value. It is interesting to note that Japan and Peru, ranking respectively fourth and fifth in importance as suppliers of Nicaraguan import requirements, are placed seventeenth and nineteenth respectively in importance as purchasers of Nicaraguan products.

## DIFFICULTIES IN TRADING WITH NICARAGUA

Undoubtedly the lack of direct shipping facilities between Canadian and Nicaraguan ports has tended to discourage Canadian exporters from endeavouring to find a market in that country, but many countries similarly situated have

overcome that difficulty. Probably the impression uppermost in the minds of Canadian exporters regarding the Nicaraguan market has been the severity of the exchange control system. It is true that the exchange control regulations of Nicaragua are severe, and that remittances to foreign exporters generally are delayed and in many instances have remained unpaid for longer than two years.

There is also the difficulty of very high import duties and other taxes levied on imports into Nicaragua. An unofficial study of Nicaraguan customs returns for the calendar year 1935 reveals that dutiable imports paid at an average rate of approximately 75 per cent ad valorem if duties and all other taxes and imposts are combined. However, there remains the interesting fact that during each of the last six years Nicaragua has imported foreign merchandise averaging slightly more than cordobas 5,000,000 in value, a considerable portion of which undoubtedly has been paid for and the remainder of which may reasonably be expected to be paid for in due course.

#### SUGGESTIONS TO CANADIAN EXPORTERS

Since the bulk of Nicaragua's foreign trade enters the country through the port of Corinto, it would appear that Canadian trade with Nicaragua lends itself to development more readily through Vancouver firms, although shipments from Eastern Canada may be transhipped at Cristobal, Canal Zone, for Nicaraguan ports either on the Pacific or the Caribbean. For the time being Canadian exporters interested in making shipments to Nicaragua should limit them to the so-called "necessary" articles for which import permits are obtainable with greater facility than for products which might be classed as "non-essentials" or "luxuries." Canadian firms in a position to import Nicaraguan coffee, bananas, or other products are more likely to be successful in finding outlets in Nicaragua for Canadian products and to avoid delays in collections.

#### CONDITIONS IN VENEZUELA

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama, September 10, 1936.—The Republic of Venezuela has no external debt, a negligible internal debt, a unit of currency based on gold and quoted at a premium on the foreign exchanges, has for several years enjoyed large visible favourable balances of trade, but is faced with a somewhat distressed agricultural industry and depressed foreign and domestic commerce. Efforts are being made to remedy the situation by subsidizing agricultural production and the exportation of agricultural products, as well as by the expenditure of large sums of public money in the construction of public works.

#### PRESENT FISCAL POSITION

The reserve fund of the Venezuelan treasury was recently reported as standing at 70,299,000 bolivars, while preliminary estimates for the 1935-36 budget placed total revenues at 188,410,000 bolivars as against total government expenditures of 231,940,000 bolivars. The deficit of 43,530,000 bolivars is attributed to extraordinary expenditures for the relief of agriculture. Should the agricultural industries require further financial assistance the result may be a further decline in the treasury reserve.

#### SHORTAGE OF FOREIGN EXCHANGE

There continues to be a shortage of foreign exchange in Venezuela and as a result collections are slow. Proceeds from Venezuelan exports plus the provision by the oil companies, as a result of an agreement with the Government, of foreign exchange amounting to U.S.\$100,000 per working day have not been sufficient to supply the foreign exchange requirements of importers. If satisfactory arrangements cannot be made with the oil companies to increase the amount

of foreign exchange supplied by them, it will probably be necessary to enact measures to curtail the volume and value of imports, unless in the meantime there develops an increased demand abroad and higher prices for Venezuelan exports. In this connection it is interesting to note that, as a result of the commercial understanding reached between Venezuela and France on May 30 last, the French Government recently authorized a supplementary quota for Venezuelan coffee amounting to 7,000 metric quintals (of 220 pounds). Quotas covering the importation of Venezuelan coffee into France are based upon purchases of French products of equal value by Venezuela.

## MARKET FOR ASBESTOS IN JAPAN

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, August 15, 1936.—The market in Japan for asbestos fibre, as well as for packing and other forms of manufactured asbestos products, is increasing year by year owing to the expansion of industrial plants and to the great variety of uses to which these articles are being put in everyday life.

### EFFECT OF DOMESTIC COMPETITION

Asbestos is manufactured locally into roofing slate, millboards, packings, yarns, pipe, etc., and although at one time foreign manufactured goods consisting primarily of yarns, boards, steam packings, brake and clutch linings, and roofing materials were imported in fairly large quantities, the cheapness of the locally produced goods has gradually driven these off the market. At one time Canada was the principal source of supply for Japanese requirements of asbestos fibre, supplemented by a small quantity from Russia, and the remainder, consisting mostly of spinning fibres, was brought in through the medium of one or two English concerns who are interested in African deposits.

This condition has now to some extent changed, and while Canada in 1935 still led other countries in supplying Japan with asbestos, if the imports for 1933 are compared with those for 1935 it will be seen how diversified the sources of supply have become. While the imports from Canada showed an increase of 100 per cent, the tonnage from Africa and Cyprus indicates increasing competition from these sources. Shipments from the United States amounted to 5,584 short tons during 1935. Of this amount possibly 500 or 600 tons originated in Vermont, but the remainder, routed via the United States and the Panama Canal, is doubtless of Canadian origin.

### IMPORTS

The following statistics give the quantities of asbestos fibre imported into Japan during the years 1933, 1934, and 1935:—

#### *Imports of Asbestos in Lump, Powder, and Fibre from Principal Countries, 1933-35*

Countries of Origin	1933	1934	1935
	In Tons of 2,000 Lbs.		
Total . . . . .	15,140	22,566	23,792
Canada . . . . .	5,209	8,205	10,457
United States . . . . .	5,138	6,539	5,584
Africa . . . . .	501	785	2,793
Russia . . . . .	2,719	2,920	2,164
Cyprus . . . . .	.....	.....	1,315
Asiatic Russia . . . . .	.....	935	597
Great Britain . . . . .	.....	.....	409
Italy . . . . .	.....	.....	185
Manchukuo . . . . .	.....	.....	119
China . . . . .	.....	.....	39
British India . . . . .	.....	.....	13
Mozambique . . . . .	.....	2,379	.....

It is of interest to note that shipments from Russia decreased during the year 1935 when compared with those of the two previous years. While at the present time the grading and quality of Russian asbestos fibre is not of the same standard as Canadian, Russia is a competitor whose potentialities must be recognized. Manchukuo is a new source of supply, and although the length of the fibre compares favourably with Canadian top grades, at the same time it is very harsh and suitable only for use in the manufacture of low-grade products. Cyprus fibre to the extent of 1,315 tons was imported during 1935, but is not likely to become a main source of supply.

Official figures covering imports during the first six months of 1936 are not available, but unofficial returns give the total as 15,086 short tons, divided as follows: Canada, 12,421 tons; Vermont (U.S.A.), 579 tons; Africa, 2,043 tons; Manchukuo, 30 tons; and China, 13 tons.

The consensus of opinion in the trade is that about  $3\frac{1}{2}$  per cent of the total imports of fibre consists of long and spinning fibre, and that at the moment there is a very considerable stock of short fibre held in Japan by one of the leading importers.

### MARKETING

Generally speaking, the marketing of asbestos in Japan is somewhat difficult owing to the wide influence of two of the leading trading companies who are interested financially in so many of the larger consumers. Again, the question of financing the smaller dealers, who form a large part of the consumers, is of considerable concern to the importer. Importers are obliged to sell to dealers and consumers on credit, with competition between local manufacturers of asbestos products very keen, resulting in the average buyer endeavouring to obtain the most favourable price consideration. The dockyards are large consumers of asbestos, and a fair tonnage of crude is also sold to the Government arsenals and to the Imperial Government railways. Asbestos products in appreciable volume are also used in industrial enterprises, especially in acid-producing plants and the like. Of recent years the domestic production of pipe coverings, millboards, packings, cloth, yarn, etc., has been concentrated on and developed, with the result that these manufactures have replaced those of foreign origin.

Over the last five years the demand for asbestos fibre has increased annually, rising from 8,385 short tons in 1932 to 23,792 short tons in 1935, but this is almost certain to increase provided that no unforeseen contingency arises in economic conditions and through industrialization the uses to which asbestos products may be put become better known.

## COTTON INDUSTRY SITUATION IN JAPAN

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

(The information in this report is taken chiefly from a translation of an article entitled "Cotton Industry Approaches Period of Test after Rapid Development" which appeared in a recent issue of *Industry and Education*.)

Tokyo, August 30, 1936.—Despite the fact that the cotton industry of Japan has made remarkable progress during the last few years and that cotton textiles are her largest export, this part of the trade is now facing many difficulties as one country after another is raising its tariffs against these products.

### STATISTICS OF THE INDUSTRY

In 1887 there were only 76,604 spindles in Japan producing 23,159 bales of yarn; in 1935 there were 10,330,452 spindles producing 3,560,724 bales. Improvement in the quality of the yarn produced has kept pace with increased production. Previous to the Great War, large-count yarn constituted the bulk

of Japanese production, but at present it represents only 50 per cent, medium and small count taking up the remainder. The weaving industry has kept pace with the spinning industry. This business is almost entirely carried on by either spinning companies conducting it as a side-line or by small-scale industrialists who are engaged in it exclusively. In 1907 those operating looms as a side-line had only 9,462 looms in Japan turning out 183,253,000 square yards, in 1920 there were 50,583 looms turning out 762,037,000 square yards, and in 1935 there were 89,664 looms turning out 1,789,471,000 square yards.

#### SMALL-SCALE WEAVERS

Out of sixty-two members of the Japan Spinners' Association, some forty-one are engaged in the weaving business. The small-scale weavers, who consume yarn purchased from the spinning companies, had, however, at the end of 1934 over 289,000 looms and their output during that year was estimated at about 530,000,000 yen. In that year the small weaving firms produced 64·7 per cent of the total cloth output, with 83·4 per cent of all the operatives and 76·9 per cent of the looms. The low cost of production which these small firms have achieved has been one of the greatest factors in the expansion of the exports of textiles.

#### DEPENDENCE ON EXPORT MARKETS

The cotton industry is of course most dependent upon export markets and over half of the total production is sold outside the country. Exports of cotton cloth increased enormously after the gold embargo of December, 1931, when the low rate of the yen made export prices most attractive to foreign buyers. This situation still continues, but is being offset greatly by the raising of tariffs in many countries against these goods.

Formerly grey cotton cloth constituted the bulk of exports, but in recent years the amount of bleached and other finished cloths has increased and in 1935 they represented 65 per cent of the total. In 1935 grey cotton cloth was credited with the remaining 35 per cent. This fact shows that there has been great expansion in the dyeing industries of Japan.

Markets for Japanese goods have been notably enlarged and decentralized throughout the world, while there has been a continuous increase in shipments to British India, the Dutch East Indies, Egypt, and other new fields, although those to China, one of the largest markets for cotton products, have been decreasing because of various obstacles.

Exports of cotton goods to African countries have shown a large increase. According to the Finance Ministry, more than seventy nations in 1935 imported cotton cloth from Japan.

#### INCREASE IN NUMBER OF SPINDLES

The number of spindles employed in Japan's spinning industry increased by about 4,600,000 during the past ten years, while the world total decreased by 7,600,000, chiefly owing to reductions in the United States and Great Britain. Japan was the second largest consumer of raw cotton, being exceeded only by the United States, although it ranked fifth in the number of spindles, following Germany, France, the United States, and Great Britain in that order. Even more striking is the fact that Japan's cotton cloth exports have grown in quantity to the point where they now constitute approximately one-half of the world total.

#### FACTORS FAVOURABLE TO THE INDUSTRY

This remarkable gain may be said to be due to the following factors:—

- (1) Favourable climatic conditions and proximity to countries consuming large quantities of cotton goods.
- (2) Geographical advantages in the purchase of raw cotton, and, more important, technical skill in mixing cotton of different origins.

- (3) Simplified but well-regulated sales facilities.
- (4) Efficient curtailment of production and control of the industry's position in regard to supply and demand.
- (5) Remarkable improvement of domestic machines such as looms and spindles.
- (6) The recent rationalization factory management.
- (7) Abundance of cheap labour.
- (8) A big reduction in the cost of production resulting from all the foregoing.

The application of high-draft spinning machines and simplex fly frames offers a good example of technical attainment. These machines have the effect of simplifying the spinning process, reducing the number of operatives necessary, and thus lowering running expenses. The invention of the automatic loom has also been of great assistance to the industry.

### FACTORY OUTPUT

The following table shows the extent to which the efficiency of spinning and weaving factories has been increased:—

#### *Weaving Factories*

Date	Average No. of Looms in Operation	Total Output 1,000 Sq. Yds.	Average No. of Hands per Day		Average No. of Looms per Female Hand	Annual Output per Female Sq. Yds.
			Total	Female		
1914 . . . . .	24,911	545,902	26,028	22,459	1.11	20,254
1920 . . . . .	40,964	762,374	47,053	39,048	1.14	19,525
1925 . . . . .	62,976	1,179,525	55,726	47,032	1.34	25,083
1929 . . . . .	68,640	1,538,249	42,692	34,208	2.01	44,968
1930 . . . . .	65,169	1,388,433	35,352	27,056	2.33	49,664
1931 . . . . .	64,392	1,404,668	28,836	23,024	2.80	61,008
1932 . . . . .	68,028	1,523,851	30,394	25,015	2.72	61,277
1933 . . . . .	73,966	1,673,881	34,309	29,013	2.55	57,694
1934 . . . . .	79,630	1,793,845	35,954	30,709	2.59	58,414

#### *Spinning Factories*

Date	Average No. of Spindles in 1,000	Total Output of Yarn, in Bales	Average No. of Hands per Day		Average No. of Spindles per Female Hand	Annual Output per Hand, in Bales
			Total	Female		
1914 . . . . .	2,370	1,666,181	114,414	92,251	25.7	18.06
1920 . . . . .	3,192	1,816,976	143,748	109,782	29.1	18.94
1925 . . . . .	4,670	2,436,784	173,604	134,383	34.8	18.13
1929 . . . . .	5,784	2,792,586	159,672	124,449	46.5	22.44
1930 . . . . .	5,898	2,524,699	139,183	108,981	54.1	23.17
1931 . . . . .	5,904	2,567,134	121,669	98,008	60.2	26.19
1932 . . . . .	6,308	2,810,437	126,805	105,651	59.7	26.60
1933 . . . . .	6,738	3,099,856	129,423	110,129	61.2	28.15
1934 . . . . .	7,503	3,472,442	141,408	122,661	61.2	28.31

### EFFECTS OF RATIONALIZATION

From the above it will be seen that a remarkable increase in the individual efficiency of female operatives has been achieved in recent years. Rationalization of the industry has been under way since the abolition of long night-hour operation in 1929, and efforts in this direction have become more intense since the world depression and since British India raised her tariffs against Japanese goods. As a result of rationalization, productive facilities have been enlarged and the annual output has continued to grow without interruption.

At the same time wages have been cut down, and power expenses, which represent a large proportion of production cost, have been lowered to some extent by the electrification of plants and the adoption of the individual drive

system. The factory cost of yarn, which was 50 sen per bale in 1926, has thus been brought down to about 23 sen in the past two or three years, and some companies have succeeded in cutting the amount even lower.

The Japanese claim that the cost of producing one bale of 40-count yarn in this country is the lowest in the world with the exception of China, the same expense in the United States and Great Britain being 3·8 and 2·4 times that of Japan. Thus Japan's ability to compete, which was unrivalled from the point of view of factory costs, was still further enhanced by the depreciation of the yen exchange and, except for tariffs, Japan could compete successfully in all markets.

DANGER OF OVER-PRODUCTION

In spite of this progress, there are grave fears about the future of her cotton industry. First of all it must be noted that the rate of increase has begun to grow small, in spite of the fact that cotton cloth exports for last year were the largest on record.

Still more significant is the fact that apprehension of over-production is being felt, due to the great expansion of productive facilities and the continuous increase in output, while the rate of consumption is remaining stationary. In order to remedy this situation, the Spinners' Association has enforced a quota system of production among its members, but unfortunately this has led to constant disputes among spinners, weavers, and traders.

RAYON AS A COMPETITIVE FACTOR

Developments in the rayon industry may also bring additional pressure upon the cotton industry in the near future. Rayon goods of low price and improved quality are encroaching upon the markets of other fibre commodities, and the cotton market has already been affected to some extent. As this tendency will most probably continue, there is at least the possibility that the demand for cotton yarn and cloth will keep on declining both at home and abroad. Even more threatening is the fact that the prospects of the nation's foreign trade are not bright. Japanese experts differ in their views on this problem, but it is clear that no such increases as have been witnessed in the last few years can now be expected, partly because of tariffs and partly because the cotton trade everywhere is suffering from a slump. Evidence of the latter is to be found in the world's cotton cloth exports, which have decreased—due to the economic depression and to the development of the cotton industry in countries formerly less advanced—from a total of 8,000,000 square yards before the Great War to 5,000,000 square yards.

FINAL JAPANESE GRAIN CROP ESTIMATE

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

Tokyo, September 8, 1936.—According to reports received from the Ministry of Agriculture and Forestry, it is estimated that the 1936 wheat crop of Japan will show a decline of 5·1 per cent as against last year's actual figures. Barley is expected to show a decline of 13·1 per cent, and rye a decrease of 9·5 per cent.

If these estimates are, however, compared with the last five-year average, wheat will show an increase of 14·5 per cent and barley and rye a decrease of 11·9 and 4 per cent respectively. This is the last year of the Government's five-year plan for increased wheat production.

Below are given the estimated grain crop figures for 1936 together with the acreage under cultivation:—

	Aeres	Bushels
Wheat . . . . .	1,685,850	45,455,424
Barley . . . . .	1,080,428	31,419,418
Rye . . . . .	836,890	29,716,401

## ASSISTANCE THAT CAN BE GIVEN BY CANADIAN TRADE COMMISSIONERS

Many manufacturers and exporters are apparently not fully advised as to the valuable services that can be rendered by Canadian Trade Commissioners. The following is therefore issued with a view to rendering the activities of Canadian Trade Commissioners of greater benefit to manufacturers and exporters generally.

### COMMERCIAL INFORMATION

1. Up-to-date information is available to manufacturers and exporters through the *Commercial Intelligence Journal* or by direct correspondence with the Department or any of the Canadian Trade Commissioners as to:—

- (a) The present and prospective demand for their goods.
- (b) Foreign and local competition (with specimens, catalogues and prices).
- (c) Details of best selling methods.
- (d) Reports on foreign buyers, though the Department cannot assume any responsibility in any opinions expressed by Trade Commissioners. They, however, will use their best endeavours to advise exporters as to the standing of such firms.
- (e) Specifications of articles in particular demand.
- (f) Inquiries for goods, and by means of an efficient system for collecting such inquiries the names can be obtained from time to time from the Commercial Intelligence Service of the Department at Ottawa.

### AGENTS, BUYERS, AND DISTRIBUTORS

2. Trade Commissioners will also:—

- (a) Recommend to intending Canadian exporters the names of responsible parties in a position to act as agents or buyers and distributors.
- (b) Give every possible assistance to such agents, etc., and will introduce them to influential individuals or associations who may be in a position to buy goods from Canada.
- (c) Give confidential information, when so requested, as to the activities of agents appointed by Canadian exporters, or firms to whom sales have been, or are being, made.

3. Trade Commissioners can assist in advising Canadian exporters and manufacturers:—

- (a) As to the best media in which to place advertisements and the form which such advertisements should take, i.e., their adaptation to the special requirements of the community.
- (b) In the display of catalogues, price lists, and samples where they can be seen by potential buyers.
- (c) As to the distribution of trade literature and its probable cost.

### GENERAL

4. (a) Trade Commissioners will always be glad to receive visitors from Canada and introduce them to possible buyers or agents, or put them in touch with legal advisers, interpreters, and shipping and banking representatives.

- (b) The good offices of Trade Commissioners can always be invoked with a view to settling difficulties which may arise between the Canadian exporters and buyers abroad.
- (c) Trade Commissioners will at any time provide such information as may be available as to freight rates, customs, port dues, etc., so as to enable Canadian firms to quote prices for delivery overseas. They will be glad also to provide information respecting cost of travel, regulations applicable to commercial travellers, packing and marking of goods, shipping accommodation, storage arrangements, and any other foreign government regulations or conditions which have to be complied with.

#### FINANCIAL ARRANGEMENTS

5. Particulars can be obtained with regard to:—

- (a) Terms of credit which may be given to foreign buyers.
- (b) Financial houses and banks who will discount bills or give credit.
- (c) Regulations governing the recovery of debts in foreign countries.
- (d) Disposal of goods abroad contracted for but not accepted by foreign buyers.
- (e) Infringement of trade-marks or patent rights; and advice on registration.

#### INFORMATION NECESSARY TO THE TRADE COMMISSIONER

When a Canadian exporter desires the assistance of a Trade Commissioner in marketing his goods abroad, he should with the first letter provide that officer with the following:—

- (a) Catalogues and best export prices c.i.f. port of entry, or failing that, f.o.b. Canadian port. It is quite useless to send prices f.o.b. factory.
- (b) Details regarding process of manufacture if convenient.
- (c) If not too bulky, samples of what the firms have to offer should be forwarded—not necessarily a full range—and a draft or money order sufficient to cover the customs duties and landing charges on the samples.
- (d) Bankers' references.
- (e) The proportion of output which is available for export, time required to ship from receipt of order, and the quantity for which orders will be accepted.
- (f) Details of the experience he has had in the territory served by the Trade Commissioner.
- (g) Information regarding previous connections, if any, which he has either with agents or importers. If connections still exist, what, if any, bearing will they have on fresh contacts that may be established through the efforts of the Trade Commissioner.

The Trade Commissioner will thus be in a position to make a survey of his territory, report the opportunities for the lines to be exported, and can then either place the exporter in communication with reliable importers or recommend suitable agents.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### United Kingdom Tariff Changes

The Additional Import Duties (No. 25) Order of the United Kingdom, in addition to altering the specific rate on typewriters exceeding 22 pounds in weight, removes the 20 per cent ad valorem duty formerly chargeable where that rate would yield a greater amount of duty than the prescribed specific rate. The new duties are: On typewriters, with or without cases (not including electric typewriters, accounting, adding, listing, book-keeping or billing machines or typewriters incorporated therein), of a weight up to and including 22 pounds, £1 5s. each for three-bank machines, £2 for four-bank machines; when exceeding 22 pounds in weight, £2 10s. each (formerly £3 10s.) where the value does not exceed £6 per machine, and £4 10s. each (formerly £3 10s.) where the value exceeds £6 per machine. The rate on cases and other parts (not being ribbon spools whether with or without ribbon, or parts of such spools, or electric motors) of typewriters (including electric typewriters), accounting, adding, listing, book-keeping or billing machines, has been increased from 3s. per pound to 3s. 6d. Electric motors for typewriters, which were formerly included at the 3s. per pound rate, are now dutiable as unspecified machinery at 20 per cent ad valorem. The order came into effect September 4.

Under Additional Import Duties (No. 26) Order, effective September 5, hot water bottles, not less than 5 inches in width, containing (exclusive of the stopper) more than 25 per cent by weight of rubber (including compounded rubber, vulcanite, and ebonite) balata, or gutta-percha, become liable to a minimum specific rate of 4s. 6d. per dozen bottles. The existing 20 per cent ad valorem rate remains in operation where it would yield a greater amount of duty.

Typewriters and parts and hot water bottles consigned direct from a part of the British Empire to the United Kingdom and accompanied by a certificate from their manufacturers declaring that at least 50 per cent of their factory cost, computed according to official regulations, is attributable to British Empire labour and/or material, remain duty free.

### Certificate of Origin for Ceylon

The Principal Collector of Customs, Ceylon, has found it necessary to bring to the attention of importers in that colony the necessity of ensuring that at the time of making entry the proper form of certificate of origin accompany the shipping documents.

Formerly the Empire content required to ensure goods receiving preferential tariff treatment on entering Ceylon was 25 per cent, but from March 1, 1936, this proportion was fixed at 50 per cent, with the exception of cigarettes, cinema films, lubricating oils, bacon, hams, and dusting sulphur, for which special proportions have been laid down. It has been found that many exporters have been using the old 25 per cent certificate forms, and, in cases where the 25 per cent was struck out and 50 per cent substituted, the substitution has not been initialled or the form is unsigned.

All these errors have led to delays and clogging up of the work of the Customs authorities, so that they have now found it necessary to take drastic action as from November 1, 1936. Canadian exporters are therefore warned to use the proper form of certificate to ensure entry of their goods without hindrance. In the case of goods arriving after transit through foreign countries, e.g., from Canada via the United States, certain other evidence is required.

### United States Marking Regulations

The attention of Canadian exporters is called to the following section of the United States Tariff Act of 1930, still in operation, respecting mark of origin of goods imported into the United States:—

304 (a) *Manner of Marking*.—Every article imported into the United States, and its immediate container, and the package in which such article is imported, shall be marked,

stamped, branded, or labelled, in legible English words, in a conspicuous place, in such manner as to indicate the country of origin of such article, in accordance with such regulations as the Secretary of the Treasury may prescribe. Such marking, stamping, branding, or labelling shall be as nearly indelible and permanent as the nature of the article will permit. The Secretary of the Treasury may, by regulations prescribed hereunder, except any article from the requirement of marking, stamping, branding, or labelling if he is satisfied that such article is incapable of being marked, stamped, branded, or labelled or cannot be marked, stamped, branded, or labelled without injury, or except at an expense economically prohibitive of the importation, or that the marking, stamping, branding, or labelling of the immediate container of such article will reasonably indicate the country of origin of such article.

(b) *Additional Duties for Failure to Mark.*—If at the time of importation any article or its container is not marked, stamped, branded, or labelled in accordance with the requirements of this section, there shall be levied, collected, and paid on such article, unless exported under customs supervision, a duty of 10 per centum of the value of such article, in addition to any other duty imposed by law, or, if such article is free of duty, there shall be levied, collected, and paid a duty of 10 per centum of the value thereof.

(c) *Delivery Withheld Until Marked.*—No imported article or package held in customs custody shall be delivered until such article (and its container) or package and every other article (and its container) or package of the importation, whether or not released from customs custody, shall have been marked, stamped, branded, or labelled in accordance with the requirements of this section. Nothing in this subdivision shall be construed to relieve from the requirements of any provision of this Act relating to the marking of particular articles or their containers.

(d) *Penalties.*—If any person shall, with intent to conceal the information given thereby or contained therein, deface, destroy, remove, alter, cover, obscure, or obliterate any mark, stamp, brand, or label required under the provisions of this Act, he shall, upon conviction, be fined not more than \$5,000 or imprisoned not more than one year, or both.

### Irish Free State Import Quotas

Mr. James Cormack, Canadian Trade Commissioner in Dublin, writes under date September 14, 1936, that, by order of the Executive Council, the import quota for certain woven tissues of wool and worsted has been fixed at 960,000 square yards of material, for the period November 1, 1936, to April 30, 1937, as against 894,000 square yards for the corresponding period last year.

The quota on raw tomatoes for the period November 1, 1936, to June 23, 1937, has been fixed at 60,000 cwts. as against 56,000 cwts. in the corresponding period last year.

New import quotas have also been provided for the first time for certain electric filament lamps—120,000 articles—and for marble chippings—1,000 cwts.—the quota period in each case extending from October 5, 1936, to December 31, 1936.

Similar import quotas have been issued under the Control of Imports Act affecting: (a) rubber-proofed clothing; (b) artificial manures (consisting of ground mineral phosphate, superphosphates, and compound manures, but not including nitro-chalk); and (c) perambulators.

The quota periods for (a) and (b) are similar in extent to the previous ones, viz., November 1, 1936, to October 31, 1937, and the quota allowances therefor are also the same, viz., 500 articles and 17,000 tons respectively.

In the case of (c) the number of articles (200) is the same, but the former period was six months, whereas the new period is twelve months, as above, which means that the import quantity is really halved.

### Mexican Tariff Exemptions on Importation of Machinery for Construction

Mr. S. G. MacDonald, Acting Trade Commissioner in Mexico City, reports under date September 23, 1936, that two decrees were promulgated on August 15 and 17, 1936, which provide for freedom from duties, in the first case, on machinery, equipment, accessories, and materials imported exclusively in the construction of large-scale works for impounding waters; and, in the second case, on machinery and equipment imported for use over a limited period in dredging irrigation canals in the valley of Mexicali, Lower California.

In order to obtain these exemptions, a permit from the Mexican Minister of Finance must be obtained, while a bond covering the duty payable must be posted to guarantee that the products will be used for the specified purpose.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPTEMBER 25

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Friday, September 25, and for the week ending Monday, September 21, 1936, with the official bank rate.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 21	Nominal Quotations in Montreal Week ending Sept. 25	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1885	\$ .1886	3½
Belgium . . . . .	Belga	.1001	.1688	.1689	2
Bulgaria . . . . .	Lev	.0072	.0130	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0413	.0413	3
Denmark . . . . .	Krone	.2680	.2260	.2242	3½
Finland . . . . .	Markka	.0252	.0223	.0222	4
France . . . . .	Franc	.0392	.0658	.0658	5
Germany . . . . .	Reichsmark	.2382	.4019	.4015	4
Great Britain . . . . .	Pound	4.8666	5.0612	5.0230	2
Greece . . . . .	Drachma	.0130	.0094	.0094	7
Holland . . . . .	Guilder	.4020	.6783	.6749	3
*Hungary . . . . .	Pengo	.1749	.2950	.2955	4
Italy . . . . .	Lira	.0526	.0786	.0785	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0229	5
Norway . . . . .	Krone	.2680	.2542	.2526	3½
Poland . . . . .	Zloty	.1122	.1882	.1883	5
Portugal . . . . .	Escudo	.0442	.0458	.0456	4½
Roumania . . . . .	Leu	.0060	.0073	.0073	4½
Spain . . . . .	Peseta	.1930	1.365 Nom.	.....	5
Sweden . . . . .	Krona	.2680	.2609	.2590	2½
Switzerland . . . . .	Franc	.1930	.3256	.3250	2
United States . . . . .	Dollar	1.0000	.9993	1.0000	1½
Mexico . . . . .	Peso	.4985	.2775	.2775	4-5
Cuba . . . . .	Peso	1.0000	.9990	.9990	—
Guadeloupe . . . . .	Franc	.0392	.0658	.0658	—
Jamaica . . . . .	Pound	4.8666	5.0712	5.0330	—
Martinique . . . . .	Franc	.0392	.0658	.0658	—
Other British West Indies	Dollar	1.0138	1.0543	1.0465	—
Argentina . . . . .	Peso (Paper)	.4245	.3374	.3371	3½
		Unofficial	.2838	.2810	—
Brazil . . . . .	Milreis (Paper)	.1196	.0862	.0864	—
		Unofficial	.0592	.0591	—
British Guiana . . . . .	Dollar	1.0138	1.0543	1.0465	—
Chile . . . . .	Peso	.1217	.0517	.0517	4½
		Unofficial	.0417	.0417	—
Colombia . . . . .	Peso	.9733	.5686	.5572	4
Peru . . . . .	Sol	.2800	.2498	.2500	6
Venezuela . . . . .	Bolivar	.1930	.2498	.2500	—
Uruguay . . . . .	Peso	1.0342	.7964	.7979	—
South Africa . . . . .	Pound	4.8666	5.0550	5.0167	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1875	5.1400	—
China (Shanghai) . . . . .	Dollar	.....	.3003	.2980	—
Hongkong . . . . .	Dollar	.....	.3115	.3120	—
India . . . . .	Rupee	.3650	.3822	.3801	3
Japan . . . . .	Yen	.4985	.2958	.2929	3.29
Java . . . . .	Guilder	.4020	.6815	.6775	—
Siam . . . . .	Baht (Tical)	.4424	.4636	.4635	—
Straits Settlements . . . . .	Dollar	.5678	.5933	.5907	—
Australia . . . . .	Pound	4.8666	4.0487	4.0184	—
New Zealand . . . . .	Pound	4.8666	4.0812	4.0508	2½

\* Unofficial: .1977

The Dominion Bureau of Statistics has supplied the following note:—

A further outflow of gold from Paris in large volume preceded an announcement by the French Minister of Finance on September 25 that the Chamber of Deputies would be asked to pass a bill providing for devaluation of the franc. Exchanges were closed pending a clarification of the situation and an embargo was placed upon gold exports. Co-operation of British and American authorities had previously been secured to facilitate an orderly non-competitive readjustment. The effectiveness of this co-operation was tested on the following day when a Russian bank offered £1,000,000 sterling in New York, which was immediately taken up by the United States Treasury. On Monday, September 28, the French Chamber assented to a bill changing the gold content of the franc from 65.5 milligrams of gold 0.900 fine to between 49 and 43 milligrams. It is believed that a number of other European countries will follow the lead of the French authorities.

**Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.**

**The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.**

**TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS**

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

- Secretary, Board of Trade—  
Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.
- Chatham, Ont.  
Kitchener, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.
- Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.
- Secretary, Chamber of Commerce—  
Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.
- Belleville, Ont.  
Peterborough, Ont.  
London, Ont.
- Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.
- Border Chamber of Commerce, Windsor, Ont.  
Department of Industry, Brantford, Ont.  
Industrial Commissioner, Stratford, Ont.  
La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.  
Secretary, Canadian Manufacturers Association—  
Toronto, Ont.  
Montreal, P.Q.
- Winnipeg, Man.  
Edmonton, Alta.
- Vancouver, B.C.  
Victoria, B.C.
- The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.  
The Bureau of Provincial Information, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Branded Food Products.....	646	Belfast, Northern Ireland.	Agency.
Canned Milk.....	647	Singapore, Straits Settlements.	Agency.
<b>Miscellaneous—</b>			
Horse Hair.....	648	Brussels, Belgium.....	Purchase.
Cotton Bags for Rice.....	649	Singapore, Straits Settlements.	Purchase.
Bond Writing Paper.....	650	Shanghai, China.....	Purchase.
Kraft Paper.....	651	Shanghai, China.....	Purchase.
Woodpulp.....	652	Shanghai, China.....	Purchase.
Douglas Fir Lumber.....	653	Antwerp, Belgium.....	Purchase.
Tin or Aluminium Foil.....	654	Singapore, Straits Settlements.	Agency.
Lead Bars and Lead Shot.....	655	Liverpool, England.....	Purchase.
Water Meters.....	656	Sydney, Australia.....	Agency.
Pumps (Portable), Pressure Hand-operated Continuous Spray.	657	Calcutta, India.....	Purchase and Agency.

## PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

### From Montreal

*To Liverpool.*—Montcalm, Oct. 3; Duchess of Richmond, Oct. 9; Duchess of York, Oct. 16; Duchess of Atholi, Oct. 23; Duchess of Bedford, Oct. 30—all Canadian Pacific; Andania, Oct. 23; Antonia, Nov. 6—both Cunard-White Star Line.

*To London.*—Beaverburn, Oct. 9; Beaverhill, Oct. 16; Beaverford, Oct. 23; Beaverbrae, Oct. 30; Beaverdale, Nov. 6—all Canadian Pacific; Ascania, Oct. 9; Aurania, Oct. 16; Ausonia, Oct. 23; Alaunia, Oct. 30—all Cunard-White Star Line.

*To Manchester.*—Manchester Division, Oct. 8; Manchester Regiment, Oct. 15; Manchester Citizen, Oct. 22; Manchester Port, Oct. 29; Manchester Producer, Nov. 5; Manchester Commerce, Nov. 12—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Airthria, Oct. 16; Dakotian, Nov. 4—both Cunard-Donaldson and Dominion Lines.

*To Southampton.*—Montrose, Canadian Pacific, Oct. 31.

*To Cardiff, Bristol and Swansea.*—Bristol City, Oct. 7; Boston City, Oct. 26; New York City, Nov. 12—all Bristol City Line.

*To Glasgow.*—Delilian, Oct. 9; Athenia, Oct. 16; Sulairia, Oct. 23; Letitia, Oct. 30—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnglen, Oct. 8; Cairnross (calls at Dundee), Oct. 22; Cairnesk, Nov. 5—all Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kyno, Oct. 9; Kelso, Nov. 3—both Ellerman's Wilson Line.

*To Dublin and Belfast.*—Fanad Head, Oct. 6; Kenbane Head, Oct. 28—both Head Line (cargo accepted for Londonderry and Cork).

*To Antwerp.*—Brant County, Oct. 13; Alaska, Oct. 30—both County Line; Beaverhill, Oct. 16; Beaverbrae, Oct. 30; Montrose, Oct. 31—all Canadian Pacific.

*To Havre.*—Brant County, Oct. 13; Alaska, Oct. 30—both County Line.

*To Rotterdam.*—Grey County, Oct. 10; Hada County, Oct. 18; Columbia, Nov. 3—all County Line.

*To Hamburg.*—Beaverburn, Oct. 9; Beaverdale, Nov. 6—both Canadian Pacific; Frankenwald (calls at Bremen), Hamburg-America Line, Oct. 30.

*To Copenhagen, Gothenburg and Baltic Ports.*—Nanking, Swedish-America-Mexico Line, Oct. 27.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Nordhavet, Gardiaz Line, Oct. 17.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Lena, Capo Line, Oct. 20.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Belle Isle, Newfoundland-Canada SS. Co., Oct. 9 and 25.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Cornwallis (calls at Guadeloupe and Martinique if sufficient cargo offered), Canadian National, Oct. 15.

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Cavelier (does not call at Hamilton or Nassau), Canadian National, Oct. 9.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Oct. 10; Maravi, Oct. 26—both Ocean Dominion SS. Corp.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Port Alma, Montreal Australia New Zealand Line, Oct. 30.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Tekoa, Montreal Australia New Zealand Line, Oct. 21.

*To Manila, Hongkong, Shanghai, Yokohama and Dairen.*—City of Kimberley, Canada Far East Line, Oct. 30; Myrmidon (does not call at Yokohama or Dairen), Blue Funnel Line, Nov. 14.

*To Freetown (Sierra Leone), Walvis Bay, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.*—Calumet, Elder Dempster Lines Ltd., Oct. 25.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Hankow, Oct. 12; City of Tokio, Oct. 28—both Ellerman & Bucknall SS. Co.

*To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—A steamer, Java-New York Line, October.

*To Santos and Buenos Aires.*—Tureby, Oct. 10; Velox, Nov. 10—both International Freighting Line (call at Rio de Janeiro); Tacoma (calls at Montevideo but not at Santos), Canada-South America Line, Oct. 10.

### From Quebec

*To Southampton.*—Empress of Britain, Canadian Pacific, Oct. 10 and 24 and Nov. 7.

### From Halifax

*To Liverpool.*—Newfoundland, Oct. 10; Nova Scotia, Oct. 27—both Furness Line; Manchester Brigade, Oct. 23; Manchester Exporter, Nov. 10—both Manchester Line.

*To London and Hamburg.*—Liberty, Oct. 15; City of Flint, Oct. 29—both American Hampton Roads (call at Hull, Leith and Dundee).

*To Manchester.*—Manchester Division, Oct. 11; Manchester Regiment, Oct. 18; Manchester Citizen, Oct. 25—all Manchester Line.

*To Cardiff, Bristol and Swansea.*—Bristol City, Oct. 10; Boston City, Oct. 29; New York City, Nov. 16—all Bristol City Line.

*To Aberdeen and Hull.*—Gitano, Ellerman's Wilson Line, Oct. 12.

*To Newcastle and Leith.*—Cairnglen, Oct. 12; Cairnross (calls at Dundee), Oct. 26; Cairnesk, Nov. 9—all Cairn-Thomson Line.

*To Copenhagen and Baltic Ports.*—Batory, Oct. 6; Pilsudski, Oct. 19—both Gdynia-America Line (call at Gdynia).

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Townsend, Oct. 5; Fort Amherst, Oct. 12—both Furness-Red Cross Line; Kongschaug, Newfoundland-Canada SS. Ltd., Oct. 5 and 19; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Oct. 7 and 21; Newfoundland (does not call at St. Pierre), Furness Line, Oct. 10.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, Oct. 8; Lady Drake, Oct. 22—both Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Oct. 15; Maravi, Oct. 31—both Ocean Dominion Line.

*To Santiago (Cuba) and Kingston (Jamaica).*—Kirsten B, Pickford & Black Ltd., Oct. 7.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Chomedy, Oct. 5; Cornwallis, Oct. 19—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Kingston (Jamaica) and Belize (British Honduras).*—Cavelier, Canadian National, Oct. 12.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Javanese Prince, Oct. 24; Silverpine, Nov. 1; Silvercypress, Nov. 7; Siamese Prince, Nov. 21—all Silver-Prince Line.

### From Saint John

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, Canadian National, Oct. 14.

*To Kingston and Jamaican Outports.*—Harboe Jensen, United Fruit Line, Oct. 9.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—A steamer, American and Indian Line, October.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hiye Maru, Oct. 15; Heian Maru, Oct. 31; Hikawa Maru, Nov. 18—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Canada (calls Honolulu), Oct. 17; Empress of Russia (calls Nagasaki), Oct. 21; Empress of Japan (calls Honolulu), Nov. 14; Empress of Asia (calls Nagasaki), Nov. 27—all Canadian Pacific; Ixion, Oct. 25; Talthybius, Nov. 22—both Blue Funnel Line (call at Miike but not at Manila).

*To Shanghai.*—Dunelmia, Ocean Shipping Co., late October.

*To Tsingtao and Dairen.*—Harpasa, Ocean Shipping Co., early November.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Tosari, Oct. 31; Silveray, Nov. 30—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Niagara, Oct. 7; Aorangi, Nov. 4—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Coast, Oct. 15; Golden Bear Nov. 15—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Waiotapu, Oct. 17; Limerick, Nov. 20—both Canadian-Australasian Line.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Skagern, Oct. 10; Tolken, Nov. 12—both Empire Shipping Co.

*To Sydney, Melbourne and Adelaide.*—King Edgar, October; Temple, October; Uganda, November—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Lochmonar (calls at Glasgow), Oct. 17; Dinteldyk, Oct. 31; Drechtdyk (calls at Glasgow), Nov. 14; Nebraska, Nov. 28—all Holland-America Line.

*To London, Liverpool and Cardiff.*—King City, Reardon Smith Line, Oct. 14.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., October.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—San Francisco, Oct. 13; San Jose, Oct. 26—both Empire Shipping Co.

*To Scandinavian Ports.*—Nordstjernan, Oct. 25; Annie Johnson, Nov. 9; Argentina, Nov. 19—all Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Rialto, Oct. 8; Cellina, Nov. 15—both Empire Shipping Co.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., October.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Silverwillow, Oct. 5; Siantar, Nov. 5—both Silver-Java Pacific Line.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Evanger, Empire Shipping Co., Oct. 27.

### From New Westminster

*To London and Liverpool.*—Gothic Star (calls at Glasgow and Rotterdam), American Mail Line Ltd., Oct. 5; Lochmonar (calls at Glasgow and Rotterdam), Royal Mail Lines Ltd., Oct. 18; Moveria (calls at Glasgow), Balfour Guthrie & Co., Oct. 25.

*To United Kingdom Ports.*—Appledore, Seaboard Shipping Co., Oct. 5.

*To Yokohama, Kobe and Osaka.*—Hiye Maru, B. W. Greer & Son Ltd., Oct. 5.

*To Chinese Ports.*—Maringoa, Canadian Transport Co., Oct. 5.

*To Oriental Ports.*—Ixion, Dodwell & Co., Oct. 5.

*To Brisbane, Sydney, Newcastle, Melbourne and Adelaide.*—Skagrun, Empire Shipping Co., Oct. 5.

*To Auckland, Wellington, Melbourne and Sydney.*—Waiotapu, Canadian-Australasian Line, Oct. 15.

*To Sydney, Australia.*—Anglo Australian, Anglo-Canadian Shipping Co., Oct. 5.

*To Melbourne, Australia.*—Rio Dorado, Anglo-Canadian Shipping Co., Oct. 7.

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*  
*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. (Territory covers Central China, North China, and Manchuria.) *Cable address, Canadian.*

### Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

### Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

### Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

### India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

### Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

# CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

## Japan

*Tokyo:* J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

*Kobe:* R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

## Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

## Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

## New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

## Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

## Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

## Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

## South Africa

*Cape Town:* G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

*Johannesburg:* J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

## United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London:* W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

## United States

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

# COMMERCIAL INTELLIGENCE JOURNAL

Vol. LV

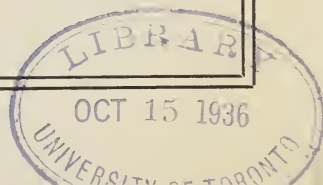
Ottawa, October 10, 1936

No. 1706



Unloading of Canadian Apples at Antwerp

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER



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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LV

Ottawa, October 10, 1936

No. 1706

## "EXCHANGE CONDITIONS IN LATIN AMERICAN COUNTRIES": NEW PUBLICATION

The series of reports on "Exchange Conditions in Latin American Countries," prepared by Canadian Trade Commissioners in these countries, which has been appearing recently in the *Commercial Intelligence Journal*, has been reprinted as a pamphlet. The countries covered are in alphabetical order: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, Uruguay, and Venezuela.

As only a small edition of this publication has been printed, early application for copies should be made to the Director, Commercial Intelligence Service, Department of Trade and Commerce, Ottawa.

## UNITED STATES MARKET FOR POTATOES

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

New York, October 2, 1936.—The United States is faced with a short domestic supply of potatoes this year. Department of Agriculture reports dated September 1 estimated only 311,951,000 bushels would be available this season, for a market in which the demand is sufficient to allow a profitable annual production of 341,000,000 bushels. Subsequent private reports have corroborated this general estimate, and it is now expected that the late crops in the surplus potato-producing areas will be about 15 per cent less than average. Production in other districts is even further below normal.

The situation is reflected in the fact that early potatoes have been marketed at very satisfactory prices, the average farm price per bushel on August 15 being \$1.41 compared to 49 cents per bushel on August 15 of last year, and the market is now clear for the first shipments of late potatoes.

### CONDITIONS IN THE SURPLUS CROP PRODUCING STATES

Of the States producing late crops of surplus potatoes, the States of Maine, Idaho, Western New York, and the Red River Valley (which includes parts of Minnesota and North Dakota) are the four most important sources of supply for the Eastern United States. In these markets the State of Maine, with its heavy crop of late-maturing potatoes, exercises a preponderant influence on prices.

According to September 1 estimates, the State of Maine is expected to have a crop totalling about 41,450,000 bushels this year compared to 38,880,000 in 1935, or a five-year average of 44,078,000 bushels. Private estimates allow for a probable production of from 45,000 to 50,000 cars compared to actual shipments of 42,081 cars last year.

Idaho is expected to have a slight increase of about 4 per cent compared to last year the September 1 forecast issued by the Department of Agriculture

indicating 23,320,000 bushels. Frosts have reduced this estimate, although it is believed that finally there will be available from 25,000 to 28,000 cars.

New York State is expected to have only 24,750,000 bushels this year, or about 75 per cent of its average crop during the past five years. Drought reduced the Long Island potato crop to about 80 per cent of normal, and the potatoes harvested are said to be smaller than usual.

In the Red River district potatoes have been grown under very adverse weather conditions. This season may yield between 50 to 75 per cent of normal production.

VARIETIES

As is probably well known, the Green Mountain potato is the main variety produced in the State of Maine, with a lesser percentage of Cobblers. In Idaho the Russet variety is the most important, followed by Triumph, Rurals and Cobblers. Certified seed potato reports issued by the United States Department of Agriculture indicate that in 1936 about 40 per cent of the seed potatoes were Cobbler variety, 20 per cent Green Mountain, and 18.5 per cent Triumph.

PRICES

Prices from October to March respond almost directly to the quantity of late season potatoes produced each year. From March to June there develops a double level of prices, one governing the old crop and the other reflecting new crop shipments from the Southern States. Thereafter until autumn the new potatoes of the early crop alone control market price levels.

As previously pointed out, the values accorded to potatoes from the State of Maine exercise a strong influence on the Eastern markets, although potatoes from Long Island come into more direct competition with Canadian potatoes grown in Prince Edward Island. Usually the heaviest shipments from Maine take place between January and March, and it is expected the same situation will prevail again this year. Towards the end of March, however, supplies from Long Island frequently are depleted and a good demand for Canadian potatoes develops.

Present prices in New York quote Long Island Cobblers, best grade No. 1, at \$1.85 to \$1.95 per sack of 100 pounds, Long Island Green Mountain No. 1 at \$1.95, and Maine Green Mountain at \$1.90 per sack. Among the trade it is expected that there will be a seasonal decline in values in October with higher prices prevailing during the winter and spring months.

TREND OF NEW YORK WHOLESALE PRICES

The trend of New York wholesale prices during the late potato season—October, 1935, to March, 1936—was as follows:—

	Long Island Green Mountain U.S. No. 1 (100-lb. Sacks)	Maine Green Mountain U.S. No.1 (100-lb. Sacks)
October 2 .. . . .	\$0.75—1.00	.....
November 2 .. . . .	1.50—1.85	\$1.40—1.50
December 2 .. . . .	1.75—2.00	1.55—1.75
January 2 .. . . .	1.80—2.00	1.75—1.85
February 2 .. . . .	1.65—1.85	1.65—1.75
March 2 .. . . .	1.50—1.85	1.60—1.65
April 2 .. . . .	1.85—2.10	1.85—2.00

It appears likely that with this season's opening prices about 90 cents higher than last year, and definite evidence of short crops, the prices during the coming season may be high enough to encourage imports.

## IMPORTS

Imports are of little importance in influencing the fluctuation of values on the United States market. Since 1920, even under favourable conditions, imports have not been more than 1.9 to 2 per cent of the total United States harvest. They have risen and fallen in keeping with the rise and fall of domestic production and changing wholesale prices. Thus, from July 1, 1919, with the New York wholesale price at an average of \$2.84 per bushel, imports of potatoes amounted to 6,941,000 bushels, but in 1922, when the New York market price fell to 97 cents per bushel, imports amounted to only 572,000 bushels during the same period of the year.

## IMPORTS AND AVERAGE WHOLESALE PRICE

The following table shows the average United States wholesale price, together with total imports of potatoes and imports from Canada, for the years 1931 to 1934:

	1931	1932	1933	1934
New York average wholesale price. . .	61 cents	61 cents	\$1.13	58 cents
Total imports . . . . .lbs.	274,012,506	43,614,902	70,803,435	92,292,966
Imports from Canada. . . . .lbs.	266,398,654	39,430,852	66,215,721	88,085,556

The following are more detailed figures of imports for 1935, during the latter quarter of which the New York wholesale price for late autumn potatoes ranged from 70 cents to \$1.

Imports of "other types" of tablestock in 1935 totalled 17,912,568 pounds (Canada 14,249,472 pounds, Bermuda 1,280,430, Cuba 2,319,895, Spain 34,171, Canary Islands 28,600 pounds); and certified seed potatoes (all from Canada), 6,665,475 pounds.

## TARIFF

Under the new 1936 United States-Canada Trade Agreement, certified seed potatoes, up to 750,000 bushels, are permitted to enter from December 1 to the last day of February of any year at 60 cents per 100 pounds, and from March 1 to November 30 at 45 cents per 100 pounds. As the market for seed potatoes usually begins in March, this new provision should encourage the sale of Canadian seed potatoes. Tablestock potatoes, however, are imported under the previous duty of 75 cents per 100 pounds.

## CERTIFIED SEED POTATOES

The production of certified seed potatoes in the United States during the past few years has averaged about 7,795,000 bushels, of which the State of Maine supplied nearly 50 per cent. Other important States producing certified seed potatoes are Minnesota, North Dakota, and New York.

About 90 per cent of the production in the State of Maine consists of Green Mountain and Cobbler varieties and these, in conjunction with shipments from the Red River Valley area, come into competition with Canadian certified seed potatoes—principally from Prince Edward Island. The latter have a fine reputation in the United States market and over a period of years have developed a demand which ensures them a premium of as much as 15 per cent above the market level. These potatoes move into such centres as Long Island, New Jersey, Virginia, and the Carolinas.

Import statistics for seed potatoes from Canada as published by the United States authorities differ considerably from those quoted in Canadian returns; but as the operation of the tariff quota is dependent on United States figures, these will probably be of greater interest to Canadian shippers. In 1934 imports from Canada amounted to 15,276,499 pounds, and in 1935 to 6,665,475 pounds.

The new tariff on certified seed potatoes became effective on January 1, 1936, and since that time there has been a heavy movement of certified seed potatoes from Canada into the United States. The following are the monthly imports up to the end of July of this year, as given by the United States statistics: January, no imports; February, 492,090 pounds; March, 11,335,170 pounds; April, 8,135,968 pounds; May, 1,197,859 pounds; June, 997,968 pounds; July, 1,500 pounds.

It will be noted that in March there were very large importations from Canada, and no doubt this was due largely to the fact that on March 1 the 45 cent rate of duty became effective, coincident with a strong spring demand for seed potatoes.

During the past season Canadian seed potatoes were sold at about \$3 per 150-pound bag. This price remained firm even after the lower rate of duty of 45 cents per 100 pounds came into effect on March 1.

The quality of domestic potatoes available for certification this year may be somewhat poorer than last year. In North Dakota, State authorities have been obliged to create an emergency grade, or "Red Tag" classification, to cover potatoes that do not quite fulfill the conditions demanded by their first grade, or "Blue Tag" classification. It is stated that this second class will comply with all the requirements of the first grade with respect to disease, but will allow a certain percentage of misshapen sizes, growth cracks, hollow hearts, etc.

#### GRADES

Potatoes sold in the United States are classified according to grades, promulgated by the United States Department of Agriculture. These grades, effective September 15, 1936, consist of U.S. Fancy, U.S. Extra No. 1, U.S. No. 1, U.S. Commercial, and U.S. No. 2. Space does not permit details of each grade being given in this report, but interested Canadian shippers may obtain this information on application to the Department of Trade and Commerce, Ottawa. In the past it has been found that Canadian potatoes compare favourably with the better grades of the United States product.

#### PACKING

Potatoes are marketed in bags, barrels, and boxes, the 100-pound bag being the most common form. According to the State of Maine regulations, potatoes grown in that state and packed for interstate shipment should have the sacks banded in such a manner as to show: (a) name of product, (b) grade of product, (c) name and address of person responsible for grading, and (d) true net contents.

#### DISTRIBUTION

The main distribution of potatoes imported into the United States is through the three largest Atlantic ports of New York, Boston, and Philadelphia, in the order mentioned. This distribution coincides with the general movement of late-crop potatoes, as will be noted from the following figures showing carlot distribution of Maine potatoes during the 1935-36 season: New York, 7,000 cars; Boston, 5,101 cars; Philadelphia, 2,687 cars; Newark, N.J., 1,043 cars; Norfolk, Va., 908 cars; Baltimore, 816 cars; Providence, R.I., 686 cars; Charlestown, Mass., 548 cars.

#### METHOD OF DISTRIBUTION

In the potato trade the domestic potatoes are sold in carload lots by local shippers or dealers to New York buyers. The dealer may receive a commission of from 5 to 10 per cent, or he may make special arrangements with the buyer whereby profits or losses are shared. There does not appear to be an established procedure in this regard. Should the potatoes be handled through the medium

of a New York broker, who in turn offers them to a buyer, the broker's charge is usually \$10 a car. The tendency, however, is for the local dealer and buyer to negotiate direct. The practice of dealing directly with buyers is adopted by Canadian shippers, the potatoes either being purchased outright or on other terms which involve consignment to this market.

The Canadian Trade Commissioner, British Empire Building, Rockefeller Center, New York City, is in close touch with leading potato dealers in the Eastern United States and will be pleased to supply any further details as to market prospects to Canadian shippers.

# REVIEW OF THE WHEAT IMPORT TRADE OF CHINA

## Outlook for the Current Crop Year

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

Shanghai, August 31, 1936.—Up to July 31, China's imports of foreign wheat this year totalled 124,000 short tons or about 4,100,000 bushels, which is less than 25 per cent of the amount brought in during the same period of 1935. As the greater part of the wheat imports arrive during the first half of each calendar year, domestic grain becoming available in June, these figures would be in any case a good indication of purchases for the whole of 1936. But this year they may constitute practically the final figures because buying has ceased completely, and the general opinion among the trade is that no further arrivals of importance are likely between now and the end of December. The chief reasons for this situation are the prevailing high world wheat prices and the fact that China itself seems likely to have a bumper wheat crop this year.

The following table based on official Chinese Customs returns shows in detail the arrivals this year as against the same period last year:—

*China's Wheat Imports, January-July Inclusive*

	1935		1936	
	Short Tons	Can.\$	Short Tons	Can. \$
Total.. . . .	514,700	11,830,000	124,000	3,357,000
Argentina .. . . .	117,100	2,514,000	.....	.....
Australia .. . . .	388,000	9,086,000	101,700	2,777,000
Canada .. . . .	1,100	36,000	3,500	93,000
France .. . . .	3,000	62,000	.....	.....
Germany .. . . .	.....	.....	8,800}	487,000
Portugal .. . . .	.....	.....	9,900}	
United States.. . . .	5,300	131,000	.....	.....

It will be noted that the 1936 figures show that Australia continued as the chief source of supply, furnishing over 80 per cent of the total, and that there were no imports from Argentina or the United States. Canadian wheat, which dominated the China trade in the years 1924 to 1929 inclusive, has almost ceased to be a factor for the time being. The 3,500 tons brought in from the Dominion this year are reported to have consisted of 2,500 tons of No. 5 sold to Shanghai mills and 1,000 tons of the same grade sold to Tsingtao.

The imports from Germany and Portugal consisted of one full cargo in each case, and they are the first that have ever come to China from those countries. Both were shipped in bulk and are reported to have turned out satisfactorily on the whole, although in the case of the Portuguese grain some slight difficulty, due to the presence of a certain amount of clay, is said to have been experienced.

The German cargo was handled by one of the two well-known international grain firms; the other handled the Portuguese cargo. Both cargoes were carried in new motor vessels via the Cape of Good Hope, the German cargo coming in forty-nine days from Bremen to Shanghai, while the Portuguese cargo is said to have reached Shanghai from Portugal in the extraordinarily fast time of thirty-six days.

STATISTICAL HISTORY OF THE CHINA WHEAT IMPORT TRADE  
TOTAL ANNUAL IMPORTS, 1921-36

It seems likely that 1936 will see the smallest wheat imports since 1928. It may be of interest therefore to bring up to date here two tables which were published in *Commercial Intelligence Journal* No. 1579 (May 5, 1934). The first shows the volume and value of China's annual wheat imports since 1921, the first year in which this country imported wheat in more than insignificant quantities. The second shows the relative positions held during that period by the chief supplying countries—Canada, the United States, Australia, and Argentina.

*China's Total Wheat Imports, 1921-36*<sup>1</sup>

Calendar Years	Average Value of the Chinese \$ in U.S.\$			
	Short Tons	Bushels	U.S.\$	
1921.. . . . .	0.49	5,400	180,000	299,000
1922.. . . . .	0.54	58,000	1,931,400	2,538,000
1923.. . . . .	0.51	173,000	5,760,900	7,277,000
1924.. . . . .	0.52	367,000	12,221,100	15,323,000
1925.. . . . .	0.55	51,800	1,724,900	2,521,000
1926.. . . . .	0.48	277,100	9,227,400	13,654,000
1927.. . . . .	0.44	112,700	3,752,900	4,868,000
1928.. . . . .	0.45	60,200	2,004,700	2,371,000
1929.. . . . .	0.41	377,600	12,574,100	13,716,000
1930.. . . . .	0.29	184,200	6,133,900	5,902,000
1931.. . . . .	0.22	1,518,600	50,618,600	28,804,000
1932.. . . . .	0.21	1,005,600	33,521,600	17,588,000
1933.. . . . .	0.26	1,181,000	39,367,000	23,500,000
1934.. . . . .	0.33	512,000	17,066,000	10,623,000
1935.. . . . .	0.38	573,000	19,100,000	13,400,000
1936 (1st seven months) . . . . .	0.30	124,000	4,133,900	3,356,000
<hr/>				
Sixteen years' total <sup>2</sup> . . . . .		6,600,000	220,000,000	166,000,000
Annual average <sup>2</sup> . . . . .		412,500	13,750,000	10,375,000

<sup>1</sup> The figures for the years following 1932 do not include imports into Manchuria, but apart from small shipments into that area from Siberia and Korea in certain years, Manchuria has never been a factor in the China wheat import trade.

<sup>2</sup> The figures are round numbers; 10 per cent has been added to the 1936 figures to allow for possible further imports during the remainder of the year.

IMPORTS BY COUNTRY OF ORIGIN

The following is the second of the two tables mentioned above. It shows the relative position held by the four great wheat-exporting countries during the sixteen-year period. It will be noted that from 1921 to 1932 inclusive the trade was shared entirely between the United States, Canada, and Australia, the United States supplying the greater part during the first three years, Canada during the next six, and Australia since 1930, with the exception of 1934 when the United States—due to the Sino-American Government wheat loan—ranked first, and Argentina—due to the low prices prevailing on her wheat in that year partly because of exchange depreciation—ranked second. Argentina did not enter the trade until 1932. She was an important factor during the following three years, 1933-35 inclusive, but has withdrawn so far this year.

During the period in question other countries have supplied wheat to China only as follows: Russia, four cargoes totalling 32,000 tons in 1931; New Zealand, one cargo in 1933; Hungary, one cargo of 8,400 tons in 1934; France, one part-cargo of 3,000 tons in 1935; Germany, one cargo of 8,800 tons in 1936; Portugal, one cargo of 9,900 tons in 1936.

*China's Wheat Imports by Principal Countries, 1921-36*

Calendar Years	Canada		United States		Australia		Argentina	
	Short Tons	% of Total	Short Tons	% of Total	Short Tons	% of Total	Short Tons	% of Total
1921...	.....	.....	4,900	90.0	.....	.....	.....	.....
1922...	500	0.9	53,400	91.7	4,200	7.3	.....	.....
1923...	19,900	11.5	134,000	77.5	19,100	11.0	.....	.....
1924...	144,200	39.3	142,300	38.8	78,500	21.3	.....	.....
1925...	42,700	82.3	7,400	14.3	.....	.....	.....	.....
1926...	205,100	74.0	41,900	15.1	29,600	10.7	.....	.....
1927...	87,400	77.6	25,200	22.4	.....	.....	.....	.....
1928...	52,700	87.5	7,550	12.5	.....	.....	.....	.....
1929...	283,000	74.9	27,700	7.3	66,300	17.6	.....	.....
1930...	64,000	35.0	37,100	20.0	83,000	45.0	.....	.....
1931...	220,400	14.5	272,800	18.0	991,900	65.3	.....	.....
1932...	182,300	18.1	199,600	20.0	615,400	61.2	8,400	.....
1933...	107,200	9.1	900	.....	925,500	78.4	148,200	.....
1934...	9,400	1.8	340,000	66.4	47,300	9.3	106,500	20.8
1935...	1,100	2.0	5,300	1.1	447,500	78.0	116,000	20.3
1936*...	3,500	2.8	.....	.....	101,700	82.0	.....	.....

\* First seven months.

## IMPORTS BY CROP YEARS

The following table shows China's wheat imports in short tons during each of the past four crop years (from August 1 of one year to July 31 of the following year):—

*China's Wheat Imports by Crop Years, 1932-33 to 1935-36*

	Canada	United States	Australia	Argentina	Total
1932-33 .....	230,900	8,000	1,027,800	53,300	1,320,000
1933-34 .....	11,900	326,100	46,800	169,300	554,100
1934-35 .....	1,100	29,800	397,000	117,100	545,000
1935-36 .....	3,500	.....	165,600	.....	169,100

IMPORTS BY MONTHS<sup>1</sup>

The following tables show imports by months from January, 1932, to July, 1936:—

*China's Wheat Imports by Months, 1932-36*

	Canada	United States	Australia	Argentina	Total
1932					
January .....	25,100	64,000	.....	.....	89,200
February .....	.....	42,300	18,100	.....	60,400
March .....	8,400	73,200	63,900	.....	145,000
April .....	6,700	12,700	153,500	8,400	181,900
May .....	.....	15,100	102,600	.....	117,700
June .....	9,000	.....	101,300	.....	110,300
July .....	.....	.....	56,100	.....	56,100
August .....	8,000	.....	8,700	.....	16,700
September .....	8,100	.....	5,100	.....	13,200
October .....	12,000	.....	52,300	.....	64,400
November .....	35,200	.....	27,800	.....	63,000
December .....	66,500	4,500	17,100	.....	88,100
1933					
January .....	16,500	.....	71,100	.....	87,600
February .....	12,600	.....	146,100	.....	158,700
March .....	20,400	3,500	245,800	.....	269,700
April .....	22,600	.....	262,100	.....	284,800
May .....	24,500	.....	135,600	16,800	177,000
June .....	4,500	.....	43,500	36,500	84,500
July .....	.....	.....	12,600	.....	12,600
August .....	.....	8,500	.....	45,300	53,800
September .....	.....	.....	.....	.....	.....
October .....	.....	.....	.....	9,000	9,000
November .....	.....	.....	.....	7,300	7,300
December .....	2,500	.....	8,600	.....	11,100
1934					
January .....	4,300	93,100	18,900	9,500	125,800
February .....	5,100	40,000	8,600	16,100	69,800
March .....	.....	52,400	.....	9,000	61,400

<sup>1</sup> From the four principal supplying countries.

*China's Wheat Imports by Months, 1932-36—Concluded*

	Canada	United States	Australia	Argentina	Total
1934— <i>Con.</i>		Figures in Short Tons			
April.. . . . .	.....	14,200	10,700	37,300	62,200
May .. . . . .	.....	89,500	.....	35,800	125,300
June .. . . . .	.....	28,400	.....	.....	28,400
July .. . . . .	.....	.....	.....	.....	.....
August .. . . . .	.....	9,500	.....	.....	9,500
September .. . . . .	.....	14,900	.....	.....	14,900
October .. . . . .	.....	.....	.....	.....	.....
November .. . . . .	.....	.....	.....	.....	.....
December .. . . . .	.....	.....	9,400	.....	9,400
1935					
January.. . . . .	.....	.....	45,600	29,000	74,600
February .. . . . .	.....	.....	28,500	9,700	38,200
March .. . . . .	1,100	5,400	78,700	9,200	94,400
April.. . . . .	.....	.....	83,600	25,300	108,900
May.. . . . .	.....	.....	48,900	43,900	92,800
June.. . . . .	.....	.....	80,900	.....	80,900
July .. . . . .	.....	.....	21,400	.....	21,400
August .. . . . .	.....	.....	37,400	.....	37,400
September .. . . . .	.....	.....	21,800	.....	21,800
October .. . . . .	.....	.....	4,700	.....	4,700
There were no importations in November and December.					
1936					
January.. . . . .	.....	.....	6,000	.....	6,000
February .. . . . .	.....	.....	.....	.....	.....
March .. . . . .	.....	.....	8,700	.....	8,700
April.. . . . .	.....	.....	61,100	.....	61,100
May .. . . . .	2,500	.....	13,800	.....	16,300
June .. . . . .	1,000	.....	12,100	.....	13,100
July .. . . . .	.....	.....	.....	.....	.....

## DISTRIBUTION OF CHINA'S WHEAT IMPORTS

The table below shows imports in short tons by ports of entry from 1929 to 1936. Shanghai, with a modern flour-milling production greater than all other centres combined, takes the great bulk of the imports. South China has no milling industry. At Wusih, a few miles inland from Shanghai, there are several mills, but their wheat enters through Shanghai. Ningpo is a small town on the central coast a few hours southeast of Shanghai.

All the other cities shown are on the Yangtsze River in Central China, with the exception of Kiaochow (Tsingtao) on the coast of Shantung Province and Tientsin in North China. Part of the wheat imported at Kiaochow is destined at times for Tsinan, an important milling centre in the interior of Shantung Province.

It is said that Japanese interests are acquiring a considerable control of the milling capacity centring round Tientsin, and also that a flour exchange has been, or is about to be, established in the northern city. It is possible therefore that North China may become eventually a more important consumption centre for foreign wheat than it has been heretofore.

## IMPORTS BY PORTS OF ENTRY, 1929-36

Port	1929	1930	1931	1932	1933	1934	1935	1936
	Figures represent Thousands of Short Tons							
Shanghai.. . . . .	364.3	159.4	1,307.6	734.8	941.3	449.5	495.6	122
Nanking.. . . . .	.....	12.3	62.5	95.4	50.1	35.5	38.8	.....
Chinkiang .. . . . .	.....	7.7	34.3	21.9	21.7	8.5	8.0	.....
Hankow .. . . . .	5.5	.....	82.1	46.7	19.2	.....	1.1	.....
Ningpo .. . . . .	.....	.....	.....	8.9	10.9	.....	.....	.....
Kiukiang.. . . . .	.....	.....	1.5	1.6	.....	.....	.....	.....
Total Central China.. . .	369.8	179.4	1,488.9	900.3	1,043.2	493.5	543.5	.....
Kiaochow (Tsingtao) .. . .	8.0	2.3	16.3	24.9	37.3	8.5	24.6	21
Tientsin .. . . . .	.....	.....	13.1	71.7	96.3	10.0	4.7	.....
Grand total .. . . . .	377.8	181.7	1,518.3	996.9	1,176.8	512.0	573.0	124

<sup>1</sup> The figures for 1936 for ports other than Shanghai are not available at the time of writing. The figure for Tsingtao is therefore an estimate only.

## CUSTOMS DUTIES ON WHEAT: NO OTHER RESTRICTIVE REGULATIONS

In China there are no government restrictions upon the import of foreign wheat such as exist in so many other countries. Moreover, until December 16, 1933, no import duty was levied upon it. However, on that date a duty of 0.30 gold unit per picul (133½ pounds) was imposed. When the Chinese Customs adopted the metric system on February 1, 1934, this was changed to 0.50 gold unit per 100 kilograms (220.5 pounds), but this conversion involved no real change in the amount of the duty.

The gold unit is worth at present Canadian \$0.666, and at this rate the duty works out to approximately Can.\$0.33½ per quintal, or almost exactly Can.\$3.02 per short ton, or about Canadian 9 cents per bushel.

In addition to the duty itself there is a surtax of 10 per cent, and a conservancy charge of 4 per cent of the duty payable. (These charges apply to all imported commodities.) The total customs charges to which wheat is subject on entry into China is therefore about Can.\$3.44 per short ton at the present time.

It should be noted that the following specific duties per 100 kilograms are levied upon wheat's chief competing foodstuffs: wheat flour, 1.24 gold unit (Can.\$8.48); rice, 1.65 gold unit (Can.\$11.29); paddy (unhulled rice), 0.83 gold unit (Can.\$5.65). The gold units figure given represent only the actual duty, while the figures in parentheses represent the equivalent in Canadian dollars per short ton of the customs duty plus the surtax, plus the conservancy charge. In other words, they are to be compared with the total customs charge of Can.\$3.44 per short ton levied upon wheat.

## FUTURE OUTLOOK

The absence of complete data covering China's agricultural production, her milling industry as a whole, and the country's general economic condition makes it difficult even to attempt a forecast of wheat imports during the current crop year 1936-37. However, there is little doubt of the outlook being unencouraging.

In the first place, the sixteen-year history of China's wheat import trade to date has demonstrated that this country can buy freely only when world prices are relatively cheap. The present world outlook, including the possibility of a total supply (excluding Russia and China) smaller than any year since 1927, and a consequent continuation of the prevailing firm prices, suggests that China will find difficulty in buying this year.

Secondly, as mentioned earlier, China herself is reported as producing this year bumper crops of both wheat and rice. The latest report of the National Agricultural Research Bureau issued on May 15, 1936, and based on crop conditions in February, estimates "expected production" of wheat for 1935-36 in seventeen provinces (excluding Manchuria and certain outlying territories) at 487,654,000 "*Shi piculs*"<sup>1</sup> or roughly 899,300,000 bushels, as against 416,718,000 "*Shi piculs*" or roughly 766,800,000 bushels (estimate of "amount harvested") in 1934-35. It is interesting to note, if these figures are accepted, that China is this year at least the second largest wheat producer in the world, if indeed she does not rank first.

Even more significant than the total increase is the fact that the bureau's estimate for those provinces from which the Shanghai and Tientsin mills draw their domestic supplies show appreciable increases in practically every case over last year.

<sup>1</sup> The "*Shi picul*" is a weight unit used by the National Agricultural Research Bureau. It is equivalent to 50 kilograms or 110.231 pounds and should not be confused with the picul of 133½ pounds generally used in China.

No official estimates are yet available for "amount harvested" this year, but the reports current in the Shanghai trade are that the wheat crops in neighbouring provinces are from 5 to 10 per cent better than last year.

On the whole therefore there is little ground for hoping that imports during the present crop year will exceed those of last crop year, which amounted to 169,100 short tons or about 5,636,000 bushels; and of course they may well be less.

One experienced and well-informed importer hazarded the opinion that China will probably require twenty cargoes between next December/January and June/July. He emphasized that this was no more than an intelligent guess, and that it was based on the fact that while the current domestic yield was greater this year, the quality was poorer than last year. He felt therefore that the mills would wish to buy foreign grain for mixing. Whether or not they will be able to do so depends chiefly on world prices. But it also depends to a considerable extent on developments in North China. Should the Central Government's authority be further weakened there to a point where the customs duties on foreign flour would be ineffective, the Shanghai mills might lose to a great extent that important outlet for their production to Japan.

## AVIATION DEVELOPMENT IN THE IRISH FREE STATE

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, September 21, 1936.—Until recently, the progress of aviation in the Irish Free State has been remarkably slow in comparison with other European countries. There were no regular passenger air services and very little private or charter flying; letters from the Free State to the United Kingdom have to travel by steamer and train. Since May of this year, however, Blackpool and West-Coast Air Services Limited, in conjunction with the Free State Company "Aer Lingus Teoranta," have been operating between Dublin, Bristol, Liverpool, Isle of Man, and Carlisle, and on September 14 the Dublin-London service, with its four-engined De Havilland air liner which can carry 10 passengers, was inaugurated. No mails are carried.

### PROVISIONS OF AIR NAVIGATION AND TRANSPORT ACT

The Air Navigation and Transport Act, 1936, which became law last month, contains the controlling legislation. It is based on the British Air Navigation Act, 1920, which it repeals so far as this country is concerned. It also provides for the implementing of two international conventions, the 1919 of Paris and the 1929 of Warsaw, and gives power to implement the Rome Convention (relative to compulsory insurance for damage or injury on the ground) when it is internationally adopted. Its main and peculiar provision is, however, that which sets up a National Limited Company (called "Aer Lingus Teoranta") to which is given a monopoly of all internal regular air services. It is the intention of the Government to restrict to that company the Free State share of any international lines operating here. The new company has not been registered so far, but will be government-controlled and financed. Provision is made for subsidizing it. The net capital is not to exceed £1,000,000, and the national company is to hold all the Saorstat interests in the joint operating company which will provide the projected Transatlantic service. In addition, the control of aviation outside of regular airlines—e.g., charter, pleasure and instructional flights, but not private flying—is provided for.

### LOCATION OF INTERNATIONAL AIR BASE

Although no official announcement has yet been made in connection with the establishment of an Irish international air base, which will be the first

European stop for the proposed Transatlantic service, some 300 acres of land have been bought, and wireless station erection work has been taking place at the junction of the rivers Fergus and Shannon, which indicate Ryanna, Co. Clare, as the location of the base. There has been considerable competition, both in Northern Ireland and the Irish Free State, to secure this base, which will doubtless in due course become highly important, commercially and internationally. A Limerick contractor is erecting the temporary buildings, and Marconi, Ltd., under contract for the Saorstat Department of Posts and Telegraphs, are installing the transmitting, receiving and direction-finding wireless equipment.

In connection with the last-mentioned phase of development, the Free State Government recently announced that arrangements had been made with the British Government for the transfer to it of the existing meteorological services at present being maintained in the Free State. It is the intention of the Free State Government to develop these services to the full international standard.

## TRADE OF BARBADOS IN 1935

W. F. BULL, CANADIAN TRADE COMMISSIONER

Port of Spain, Trinidad, September 17, 1936.—Barbados, a flat coral island, is the most easterly of all the island colonies of the British West Indies and one of the most densely populated areas in the world. Rich soil and abundant rainfall makes this tropical island an ideal producer of sugar cane, a crop which has been grown with considerable profit to the planters for the past three hundred years.

Due to a shortage of rain during the growing season, the sugar crop last year was well below the average for the past few years and only amounted to the equivalent of 81,454 tons of dark crystal sugar. The price of sugar remained at the low level of previous years; however, there was an active demand for fancy molasses at good prices, with the result that 105,229 puncheons were produced, the equivalent of 35,076 tons of sugar. More than 90 per cent of the fancy molasses produced in Barbados is sold in Canada and is largely consumed in the lumbering areas of Quebec and the Maritime Provinces; accordingly, any improvement in lumbering and logging operations in Eastern Canada is reflected in improved conditions in Barbados.

The tourist trade continued to grow in importance and new hotels were constructed during the year to entertain the winter visitors, many of whom came down from Canada. The Government was again able to balance the budget in spite of the reductions in taxation made during the year. The public debt amounted to £267,920 and the accrued surplus to £118,278. Revenues are running well ahead of expenditures and it is proposed to grant some further relief to the taxpayers, probably the removal of the 10 per cent surtax on general import duties.

### TRADE AND SHIPPING

Barbados is the centre of the sailing boat trade of this area, and a considerable volume of freight is imported and exported by schooners. Lumber and codfish are regularly carried from Nova Scotia and Newfoundland, and cargoes of molasses are returned by this type of vessel. Rice, cattle, and firewood are imported from British Guiana, and an important transshipment business is carried on with the smaller islands.

The bulk of the Canadian and United States freight is shipped direct, but a large part of British and Continental freight is unloaded from steamers in Barbados and transhipped by schooners to the other islands. Last year 467 sailing vessels with a total net tonnage of 27,853 tons entered at the port of

Bridgetown, Barbados, and for the same period 615 steam vessels with a net tonnage of 2,135,416 entered this port. The island is well served with direct steamship connections with Montreal, Halifax, Saint John, Vancouver, New York, Gulf ports, Central and South American, and United Kingdom and Continental ports.

#### TOTAL TRADE: PRINCIPAL EXPORTS AND IMPORTS

The total trade of Barbados in 1935 was valued at £2,971,683 compared with £3,391,294 in the previous year. This decrease in total trade was directly due to a short sugar crop. Exports of sugar fell from 87,459 tons in 1934 valued at £774,714 to 39,392 tons valued at £330,550 in 1935. Exports of molasses at 10,785,568 gallons were almost 1,000,000 gallons below the 1934 figure of 11,626,180 gallons; however, due to increased prices, molasses exports in 1935 were valued at £637,096 compared with £536,679 in the former year.

There was very little change in value of the more important articles imported into Barbados as is shown by the following figures: rice, £95,413 in 1935 (£91,869 in 1934); flour, £89,988 (£93,815); cotton piece-goods, £83,987 (£81,597); dried fish, £56,668 (£42,571); cotton manufactures, £52,735 (£63,095); staves and shooks, £47,705 (£38,496).

#### EXPORTS AND IMPORTS: PERCENTAGES WITH VARIOUS COUNTRIES

Some 89·3 per cent of all exports are sold to Empire countries and 73·9 per cent of all imports are drawn from Empire sources. The United Kingdom has for many years been the chief source of supply of imports; in 1935 this country supplied goods to the value of £752,831 or 40·9 per cent of the total, compared with goods valued at £809,673 or 42·3 per cent in 1934.

Canada was the second most important source of supply with imports valued at £258,520 or 14·1 per cent, compared with £275,603 or 14·4 per cent in 1934. The United States was the leading foreign supplier with goods valued at £215,160 or 11·7 per cent, against £247,403 or 12·9 per cent.

Canada took 69·8 per cent of all products exported from Barbados, a value of £790,453 compared with £1,021,262, 69·1 per cent, in 1934. Exports to the United Kingdom fell to a new low level, £34,427 or 3 per cent, compared with £174,290 or 11·8 per cent in 1934. The United States took goods valued at £93,857 or 8·3 per cent compared with £69,456 or 4·7 per cent.

#### TRADE WITH CANADA

The balance of trade between Canada and Barbados is very much in favour of Barbados due to the dependence of this colony on the production of sugar and sugar products. In the other West Indian islands, where a wider range of products is exported, a much smaller percentage is shipped to Canada. Imports from Canada have been decreasing in value and importance in recent years due to competition from the United Kingdom and the United States. At one time Canada was the largest supplier of flour, oilmeal, and butter, three valuable items in the import trade. In 1935, out of a total importation of 89,988 barrels of flour, the United Kingdom supplied 35,032, Canada 32,583, and France 22,292; and imports of oilmeal and butter were valued at less than £1,000 out of totals of £35,310 and £34,648 respectively.

#### Commodities of Interest to Canadian Exporters

The following statistics list the principal articles imported into Barbados which are of interest to Canadian exporters. In each case the total importation is given first for 1935 and then in parentheses for 1934:—

*Beer, Ale, Stout and Porter.*—Total, 92,925 gals., £15,089 (104,701 gals., £17,228): U.K., £14,388; Holland, £2,296; Canada, £52.

- Oilmeal and Oilcake*.—Total, 10,864,918 lbs., £35,310 (12,472,849 lbs., £43,655): U.S., £34,369; Canada, £941.
- Cheese*.—Total, 112,457 lbs., £4,217 (112,604 lbs., £3,754): Canada, £3,540; U.K., £348; New Zealand, £268.
- Confectionery*.—Total, £5,367 (£5,775): U.K., £4,322; Canada, £757.
- Fish, Canned or Preserved in Jars or Bottles*.—Total, £8,572 (£6,203): Canada, £4,530; U.S., £3,029; Japan, £715.
- Fish, Dried, Salted, or Smoked*.—Total, 47,223 qtls., £56,668 (31,534 qtls., £42,571): Newfoundland, £45,641; Canada, £10,717; U.K., £176.
- Oats*.—Total, 5,557,209 lbs., £18,060 (6,278,041 lbs., £21,188): Canada, £18,047.
- Flour*.—Total, 89,988 bags, £89,988 (93,815 bags, £93,815): U.K., £35,032; Canada, £32,583; France, £22,292.
- Cornmeal*.—Total, 28,081 bags, £15,444 (30,628 bags, £16,851): U.S., £9,998; U.K., £4,152; Canada, £473.
- Beans and Peas*.—Total, 1,995,369 lbs., £12,471 (2,084,926 lbs., £13,030): Trinidad, £4,442; U.K., £2,250; Holland, £1,490; Canada, £150.
- Lard and Lard Substitutes*.—Total, 344,770 lbs., £7,182 (310,019 lbs., £6,459): U.K., £5,644; Canada, £822; U.S., £457.
- Bacon and Hams*.—Total, 297,503 lbs., £17,355 (283,515 lbs., £16,538): U.K., £6,070; Argentina, £2,622; U.S., £2,487; Canada, £2,308.
- Beef, Salted*.—Total, 1,626,212 lbs., £28,458 (1,315,650 lbs., £20,392): Argentina, £24,928; U.K., £2,651; Brazil, £430.
- Pork, Salted*.—Total, 1,388,706 lbs., £27,774 (1,530,438 lbs., £20,661): Canada, £18,421; U.S., £6,909; Argentina, £2,092.
- Milk, Condensed*.—Total, 952,750 lbs., £7,622 (798,604 lbs., £9,583): Holland, £3,008; U.K., £1,689; Irish Free State, £994; Australia, £747; Canada, £19.
- Tobacco, Unmanufactured Leaf*.—Total, 117,336 lbs., £5,867 (115,203 lbs., £4,320): U.S., £3,231; India, £1,788; Canada, £644.
- Vegetables, Canned and Preserved*.—Total, 30,519 lbs., £1,017 (33,220 lbs., £1,107): Canada, £581; U.K., £221; United States, £154.
- Onions*.—Total, 1,913,768 lbs., £8,612 (2,188,404 lbs., £10,395): Canada, £1,948; Madeira, £1,850; Cyprus, £1,529; Argentina, £1,124.
- Potatoes*.—Total, 3,830,957 lbs., £9,577 (3,952,246 lbs., £8,234): Canada, £7,659; Holland, £1,326; Irish Free State, £337.
- Pitch Pine*.—Total, 2,045,532 ft., £21,823 (2,515,118 ft., £33,854): U.S., £21,823.
- Other Soft Woods*.—Total, 5,099,723 ft., £32,854 (7,108,269 ft., £44,548): Canada, £32,185.
- Shingles*.—Total number, 9,040,700, £9,040 (number, 16,822,350, £16,822): Canada, £8,891; British Guiana, £149.
- Staves and Shooks*.—Total, £47,705 (£38,496): Canada, £29,234; U.S., \$18,249.
- Apparel*.—Total, £34,477 (£34,726): U.K., £15,353; Japan, £11,601; U.S., £4,084; Canada, £2,266.
- Cotton Piece-goods*.—Total, 3,388,857 linear yds., £83,987 (3,765,740 linear yds., £81,579): U.K., £81,071; Japan, £912; U.S., £890; Canada, £66.
- All Other Cotton Manufactures*.—Total, £52,735 (£63,095): U.K., £49,023; Canada, £1,817; U.S., £1,048.
- Haberdashery and Millinery*.—Total, £3,710 (£8,680): U.K., £2,751; Canada, £65.
- Hardware*.—Total, £25,475 (£26,560): U.K., £14,118; U.S., £6,404; Germany, £1,822; Canada, £1,762.
- Sugar Machinery*.—Total, £32,407 (£41,830): U.K., 29,128; Canada, £1,775; U.S., £1,397.
- Nails and Rivets, etc.*.—Total, £5,239 (£6,220): Canada, £3,638; U.K., £1,205.
- Motor Cars*.—Total number, 300, £38,682 (number, 301, £39,349): U.K., £22,237; Canada, £12,841; U.S., £3,604.
- Motor Trucks and Vans*.—Total number, 61, £8,533 (number, 129, £15,744): U.S., £3,820; Canada, £3,189; U.K., £1,514.
- Parts*.—Total, £9,082 (£9,017): U.S., £4,986; U.K., £2,954; Canada, £1,136.
- Canvas Boots and Shoes with Rubber Soles*.—Total, 47,396 pairs, £3,626 (107,970 pairs, £10,797): Hongkong, £1,634; Canada, £1,291; U.K., £371.
- Cement*.—Total, 22,692 brls., £12,481 (21,680 brls., £12,466): U.K., £11,240; Canada, £1,241.
- Hats and Bonnets*.—Total, £12,659 (£16,411): U.K., £9,970; Italy, £1,003; Japan, £649; U.S., £344; Canada, £270.
- Tires and Tubes*.—Total, £8,129 (£6,599): U.K., £4,285; Canada, £2,869; U.S., £966.
- Sulphate of Ammonia*.—Total, 6,998 tons, £46,362 (4,579 tons, £30,145): U.K., £23,015; Canada, £17,583; U.S., £5,300.
- Potash*.—Total, 1,641 tons, £27,897 (new classification): Germany, £24,072; U.K., £2,448; Belgium, £850.
- Medicines and Drugs*.—Total, £19,383 (£17,092): U.K., £11,148; U.S., £6,366; Canada, £1,097.
- Paints and Colours*.—Total, 471,677 lbs., £11,792 (552,541 lbs., £13,814): U.K., £9,813; Canada, £884.

*Writing and Wrapping Paper*.—Total, £11,594 (£16,459): Holland, £3,592; U.K., £2,883; U.S., £2,403; Canada, £751.

*Soap, Common*.—Total, 1,872,217 lbs., £18,732 (1,881,235 lbs., £17,872): U.K., £18,079; Holland, £479.

*House, Office, and Store Furniture*.—Total, £5,208 (£4,871): U.K., £1,907; Canada, £1,279; U.S., £1,055.

## TRADE OF NYASALAND IN 1935

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, August 26, 1936.—The British Protectorate of Nyasaland, comprising an area of approximately 37,890 square miles, lies between 10° and 17° South latitude. The protectorate is bounded on the east, south and south-west by Portuguese East Africa, on the west and northwest by Northern Rhodesia, and on the north and northeast by Tanganyika Territory. The total estimated population at the end of 1934 was 1,612,961, composed almost entirely of natives, the European population being only 1,765. The administration is in the hands of a Governor with the assistance of an executive and legislative council. The seat of Government is located at Zomba.

The protectorate is economically dependent upon the production of agricultural crops for export. The most important of these is tobacco, and Nyasaland has for some years past been the principal Empire supplier to the United Kingdom market. The other major agricultural items are cotton, tea, and sisal fibre. The chief minor or secondary crops are rubber, copper, beeswax, and chillies. The climate during the year under review was not favourable to the production of flue-cured tobacco and as a consequence exports of this product reached the lowest total of the last five years.

Ruling prices for tea and raw cotton were favourable to growers and substantially increased exports of both of these commodities were recorded.

### TOTAL TRADE AND TRANSPORTATION

The total trade of the protectorate, including domestic imports and exports and transit trade, but not including Government imports or specie, amounted to £1,427,312 in 1935, an increase of £89,194 over the previous year. There is a direct rail connection from Blantyre to Beira in Portuguese East Africa and practically all Nyasaland's exports and imports are handled through this port.

### DIRECTION OF TRADE OUTWARDS

The total value of domestic exports during the calendar year 1935 amounted to £735,770 compared with £753,014 in 1934. The United Kingdom was the protectorate's best customer, taking exports valued at £669,355 (90·9 per cent) of total exports in 1935 and £729,531 (96·84 per cent) in 1934. This total was made up chiefly of tobacco, £294,691 in 1935 (£466,583 in 1934); tea, £219,758 (£167,221); and cotton, £148,519 (£90,725). Exports to other parts of the Empire, mainly India and Southern Rhodesia, were valued at £33,476 (4·5 per cent) in 1935 and £10,365 (1·38 per cent) in 1934. Total exports to foreign countries, chiefly Portuguese East Africa and Germany, amounted to £33,481 (4·5 per cent) and £13,474 (1·78 per cent) respectively in the same two years.

### DIRECTION OF TRADE INWARDS

The total value of imports during 1935 amounted to £601,390, an increase over the previous year when they amounted to £485,306. The principal articles imported into Nyasaland were cotton piece goods valued at £168,735 in 1935 (£123,647 in 1934); electrical and industrial machinery, £46,472 (£26,743); iron, steel and metal manufactures, £33,244 (£25,584); motor spirits, £29,037 (£26,143);

motor cars, £13,460 (£10,875); linen, hemp and jute manufactures, £12,351 (£5,686); provisions, various, £11,384 (£12,028); spirits, £9,430 (£9,359); motor lorries and tractors, £8,747 (£4,555); shirts and singlets, £8,369 (£6,197); and agricultural machinery and implements, £7,846 (£6,021).

The value of imports from the United Kingdom, the principal supplier, amounted to £259,966 (43·2 per cent of the total) in 1935 compared with £225,360 (46·4 per cent) in 1934. Imports from other Empire sources decreased from £36,973 (7·6 per cent) in 1934 to £35,531 (5·9 per cent) in 1935. The leading Empire suppliers in addition to the United Kingdom were South Africa, £11,065 (1·8 per cent) in 1935 compared with £8,784 (1·8 per cent) in 1934; India, £9,221 (1·5 per cent) and £8,073 (1·7 per cent); and Canada, £6,492 (1·1 per cent) and £8,445 (1·8 per cent).

Foreign countries consigned goods to the value of £305,893 (50·9 per cent) in 1935 compared with £222,973 (40 per cent) in the previous year. Japan, the chief foreign shipper, furnished imports valued at £178,252 (29·4 per cent) in 1935 and £115,374 (23·8 per cent) in 1934; the United States, £26,752 (4·4 per cent) and £17,811 (3·6 per cent); Portuguese East Africa, £17,421 (2·9 per cent) and £17,842 (3·7 per cent); Iran, £15,134 (2·5 per cent) and £13,516 (2·8 per cent); Dutch East Indies, £14,340 (2·4 per cent) and £10,910 (2·2 per cent); Germany, £13,337 (2·2 per cent) and £8,851 (1·8 per cent); Italy, £8,730 (1·4 per cent) and £7,439 (1·5 per cent); and Holland, £3,881 (0·6 per cent) and £7,954 (1·6 per cent).

The chief imports from Canada were motor lorries and tractors, amounting in value to £3,289 in 1935 compared with £2,481 in the previous year; motor cars, £1,142 (£3,358); motor vehicle parts and accessories, £630 (£456); tires and tubes, £623 (£630); and flour, £398 (£247).

## WHEAT FLOUR MARKET CONDITIONS IN HONGKONG

K. F. NOBLE, ACTING TRADE COMMISSIONER

(The average exchange rate for the three months April to June inclusive has been 31½ cents; one picul equals 133½ pounds)

Hongkong, September 2, 1936.—Imports of flour into Hongkong during the second quarter of 1936 amounted to 279,393 piculs (HK\$2,137,218) compared with 168,648 piculs (HK\$1,221,031) for the first three months of the year.

Australia was again the principal supplier, and was credited with 173,169 piculs (HK\$1,247,819) as against 109,004 piculs (HK\$729,803) for the first quarter of the year, followed by Canada with 59,999 piculs (HK\$597,893) as against 29,472 piculs (HK\$236,658)—an increase in both quantity and value of over 100 per cent—the United States with 12,444 piculs (HK\$119,515) as against 12,391 piculs (HK\$110,232), and Japan with 6,714 piculs (HK\$54,396) compared with 1,663 piculs (HK\$13,279).

Competition from Japanese millers has increased to the point where sales of Australian flour are being affected. Japanese flours milled from Australian wheat, which are carried at low freight rates and delivered on consignment to the order of the Hongkong office of the milling interests, are being quoted for sale in barrels at approximately 55 Canadian cents below the prevailing price on similar flour of Australian origin. This barrelled flour is subsequently repacked into second-hand flour sacks for re-export to the adjacent sections of China.

The volume of these sales, though less than 4 per cent of the turnover in Australian flours, has had a most unsettling effect on the market, since the labels on the sacks are inseparable from those being quoted by direct importers, to the detriment of buyers' confidence in the market and in the stability of prices.

## PRICE MOVEMENT

During recent months the local flour market has reacted in sympathy with world wheat prices. As against the quotation on Australian flour in July of HK\$2.70 per bag, the first half of August has witnessed spot business at HK\$3.55, the replacement price of which was £9 10s. per ton c.i.f. Hongkong, or the equivalent of HK\$3.80 per bag. Canadian first clear range from HK\$2.95 to HK\$3.40 in July and from HK\$3.40 to HK\$3.90 during August. Prices have not, however, advanced at the same rate with Canadian quotations to the importer, which rose to as high as U.S.\$4.77 per barrel c.i.f. Hongkong, or the equivalent of HK\$3.90 per bag.

## AVERAGE QUOTATIONS ON GRADES

The present average quotations on the several grades and qualities of flours are as follows:—

U.S. White Club straight, HK\$4.05 per bag ex godown (U.S.\$4.95 per barrel c.i.f. Hongkong).

U.S. cut-off, HK\$4.10 per bag ex godown (U.S.\$5 per barrel c.i.f. Hongkong).

U.S. second clear, HK\$3.40 per bag ex godown (U.S. \$4.10 per barrel c.i.f. Hongkong).

Canadian first clear, HK\$3.40 to HK\$3.80 per bag ex godown (U.S.\$4.10 to U.S.\$4.60 per barrel c.i.f. Hongkong).

Canadian patent, HK\$4.60 per bag ex godown (U.S.\$5.60 per barrel c.i.f. Hongkong).

Australian flour, HK\$3.40 to HK\$3.55 per bag ex godown (£8 7s. 4d. to £8 14s. 8d. per ton c.i.f. Hongkong).

Shanghai flour, HK\$3.10 to HK\$3.25 per bag ex godown.

A disturbing feature of the trade in recent months has been the failure of Shanghai milled flour to move with wheat prices or the advanced quotations on Australian flour. Reports indicate that there has been a good wheat crop in North China, and in consequence Shanghai millers have capitalized on the advantage of regular supplies at below world levels. Consumers therefore are at present using additional quantities of Shanghai flour, at the expense of the higher-priced Australian supplies.

Current estimates of local stocks in storage place Hongkong's unsold flour at the new low level of some 63,000 bags, made up as follows: Australian, 31,000 bags; Canadian, 20,000; United States, 5,000; Shanghai, 7,000 bags.

## CROP REPORTS FROM THE SCANDINAVIAN COUNTRIES AND FINLAND

RICHARD GREW, CANADIAN TRADE COMMISSIONER

## NORWAY

Oslo, September 17, 1936.—According to the official report of the Director of Agriculture on the condition of crops at the end of August, the rainfall during that month was considerable, particularly in the western and northern districts.

The hay crops have now been harvested throughout the country, and on the whole the quality is reported as being good, although some slight damage has been caused by the wet weather experienced during the harvest. The size of the hay crop varies considerably in the different districts, but the total crop for the whole country is given as 87 per cent of an average year in the case of cultivated fields and 85 per cent for natural fields.

The grain crops are now being harvested throughout the country, and although they have suffered somewhat from the excessive rainfall, particularly in the northwestern districts, they are on the whole described as being satisfactory. The best crops are stated to be spring wheat and mixed grain at 100 per cent of an average year, barley at 99 per cent, and oats at 98 per cent. The

remaining grain crops, as of August 31, are reported to be as follows in percentages of an average year: autumn wheat 91, spring rye 96, and autumn rye 92.

As a result of the mild and rainy weather experienced during the latter part of the summer, the potatoes have suffered considerably from dry-rot in many districts, and while the total crop was estimated at 104 per cent of an average year at the end of July, it fell to 99 per cent at the end of August. The root crops have improved considerably during the past two months, and are now reported to be as follows: turnips 97 per cent and swedes 93 per cent of an average year.

#### DENMARK

The report issued by the Danish Department of Statistics on September 5 on the condition of crops at the end of August states that practically all types of grain have now been harvested, and that these crops are disappointing both as regards quantity and quality. The size of the various grain crops in percentages of an average year are as follows in the case of Jutland: wheat 86, rye 87, barley 74, oats 77, and mixed grain 77. For the islands the corresponding figures are as follows: wheat 92, rye 94, barley 87, oats 92, and mixed grain 90.

The root crops are described as being satisfactory, being somewhat better than last year, although they are not quite as large as expected earlier in the summer, beets particularly having suffered as a result of the drought experienced during August. In Jutland the crop figures in percentages of an average year are: potatoes 98, carrots 99, beets 99, swedes 98, turnips 97, and sugar beets 99; in the case of the islands the corresponding figures are 93, 97, 99, 98, 96, and 100 respectively.

The last crop report for hay was published at the beginning of August, when the figures in percentages of an average year were given as follows: in Jutland, hay from cultivated fields 91 and hay from natural fields 87; on the islands, 107 and 97 respectively. The condition of the pasture fields at the end of August is reported as being fairly satisfactory in spite of the drought, being calculated at 92 per cent of an average year in Jutland and at 94 per cent on the islands.

#### SWEDEN

The crop report issued by the Swedish Central Bureau of Statistics on August 31 states that the weather conditions throughout the summer have not been particularly favourable to the grain crops, the early part of the summer being too dry, while in July and August most districts suffered from an excessively heavy rainfall. The crops of autumn-sown rye have been particularly disappointing, being described as considerably below medium for the whole country, while the autumn-sown wheat is reported to yield a medium crop. The crops of spring-sown grain are slightly better throughout, being reported as slightly above medium for oats and medium for spring wheat, spring rye, barley, and mixed grain.

Potatoes and root crops suffered considerably in the early part of the summer as a result of the drought, but conditions have subsequently improved and the root crops throughout the country are now considered to be quite promising. This is particularly true of the sugar-beet crops, which are stated to be considerably above medium, while potatoes and other root crops are described as being slightly above medium. In large parts of the country the hay crops have been quite abundant, and the quality is reported as being satisfactory. The size of the hay crops for the whole country is slightly above medium for both cultivated and natural fields.

The following actual crop figures for the whole country have now been published, the 1935 figures being shown in parentheses for comparison: autumn-sown wheat, 497,000 tons (532,000); autumn-sown rye, 363,000 tons (423,000);

hay from cultivated fields, 4,674,000 tons (4,844,000); and hay from natural fields, 632,000 tons (542,000).

#### FINLAND

According to the most recent report issued by the Finnish Department of Agriculture, dated August 22, the crops on the whole are described as being merely medium in spite of the great expectations entertained earlier in the year in view of the warm weather experienced during most of the summer. The crops of autumn-sown wheat and rye are described as being medium and the quality satisfactory. The spring-sown grain suffered somewhat from the drought experienced during the first half of July, but the subsequent rains improved the situation considerably. The crops of spring-sown wheat, barley, and oats are now reported to be slightly above medium and the mixed grain crop medium.

The crop prospects for potatoes have improved considerably as a result of the recent rainfall, and are now reported to be above medium, while the root crops have suffered somewhat from damage caused by noxious insects and are described as being medium. In the southern districts of Finland, where the hay is harvested early in the summer, the quality of the crops is stated to be good, but in the northern districts the quality is poorer as a result of the wet weather experienced during the harvesting season. For the whole country the hay crop from cultivated fields is reported to be somewhat above medium and the crop from natural fields to be below medium.

### CANADIAN TRADE WITH POLAND

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One zloty is approximately equal to Can.\$0.188)

Hamburg, September 22, 1936.—In view of the recent conclusion of a trade treaty with Poland, the following review of recent trade with this country may be of value to Canadian exporters interested in this market. There is appended to it a summary statement of general conditions in Poland at the present time and of the opportunities for the sale of various Canadian products.

#### POLAND'S FOREIGN TRADE

The total value of Poland's foreign trade during the year 1935 was 1,884,588,000 zloty, the approximate equivalent of \$358,071,720. This figure may be compared with a total of 1,774,102,000 zloty during the preceding year and with that for 1929 of 5,925,912,000 zloty. Both the decline from previously recorded trade values and the increase over the 1934 total are significant.

Poland's trade balance, during the years 1923 to 1929, was unfavourable in five of these seven years but has been a favourable one since 1930. Despite a general falling-off in both import and export shipments up to 1934 and the difficulties of the international price and exchange situations, exports during 1935, although showing a reduced excess over imports, were considered to have been satisfactorily maintained.

#### FOREIGN TRADE BY COUNTRIES

The United Kingdom and Germany are the principal sources of supply of Poland's imports and her most important markets. The United States also is a large supplier of the import requirements; France, Austria, Czechoslovakia, British India, the Netherlands, Belgium, Italy, and Switzerland are of secondary importance. In addition to her two principal export markets, Polish goods are also shipped in substantial amounts to Austria, Belgium, Czechoslovakia, Sweden, and the United States.

Poland's foreign trade is essentially one with European countries. Her imports from the United States and British India are largely of raw cotton and other fibres and, despite efforts to expand the volume of all business with non-European countries, it seems probable that the present preponderance of European influence in this country's foreign business will persist for some time.

Statistics of imports from and exports to principal countries during the year 1935 are given herewith:

*Poland's Foreign Trade By Principal Countries, 1935*

Imports		Exports	
	1,000 Zloty		1,000 Zloty
Germany . . . . .	123,910	United Kingdom . . . . .	181,437
United States . . . . .	123,901	Germany . . . . .	136,631
United Kingdom . . . . .	116,665	Austria . . . . .	59,388
France . . . . .	41,830	Belgium . . . . .	57,067
Austria . . . . .	41,106	Czechoslovakia . . . . .	52,850
Czechoslovakia . . . . .	35,204	Sweden . . . . .	49,453
British India . . . . .	31,887	United States . . . . .	43,277
Netherlands . . . . .	28,256	Netherlands . . . . .	35,422
Belgium . . . . .	25,981	France . . . . .	32,620
Italy . . . . .	25,773	Italy . . . . .	29,799
Switzerland . . . . .	23,717	Denmark . . . . .	27,577

FOREIGN TRADE BY COMMODITIES

With respect to Poland's imports and exports of principal commodities, there are presented below tables indicating the composition of such business during the years 1934 and 1935 which are of interest as indicating the composition of such trade and alterations during the two years. Export business is seen to be comprised to a large extent of raw and semi-manufactured materials, coal, for example, making up practically 10 per cent of total export values, while sales of lumber and agricultural products are of almost equal importance. The export of fully manufactured commodities is comparatively small.

*Exports of Principal Commodities from Poland, 1934 and 1935*

Commodities	1934	1935
	1,000 Zloty	1,000 Zloty
Coal . . . . .	157,966	131,136
Lumber . . . . .	94,524	77,154
Rye . . . . .	44,338	43,580
Bacon . . . . .	46,735	38,965
Barley . . . . .	35,887	33,304
Eggs . . . . .	23,452	26,800
Zinc . . . . .	26,688	22,986
Veneer, plywood . . . . .	18,025	22,302
Iron and steel . . . . .	20,555	18,918
Iron and steel tubes . . . . .	22,450	16,701
Pigs . . . . .	17,535	16,005
Flax and waste . . . . .	5,055	14,976
Billets, trunks . . . . .	19,788	13,172
Fertilizers . . . . .	10,603	12,742
Sugar . . . . .	12,701	12,356
Woven yarns . . . . .	11,135	11,549
Woodpulp . . . . .	11,275	10,318
Iron and steel sheets . . . . .	13,728	10,702
Oats . . . . .	3,064	10,594
Butter . . . . .	8,916	10,247
Wearing apparel . . . . .	9,507	10,196
Railway rails . . . . .	13,132	10,130
Total . . . . .	975,342	925,040

Cotton, wool, hides, furs, scrap iron, and electrical equipment make up the bulk of Poland's import trade. The predominance of raw materials for the textile industry is a marked one while it is notable, as well, that imports of foodstuffs, apart from citrus fruits and fresh or salted herrings, are comparatively restricted.

*Imports of Principal Commodities into Poland, 1934 and 1935*

Commodities	1934 1,000 Zloty	1935 1,000 Zloty
Cotton and waste . . . . .	112,821	114,458
Wool, unwashed . . . . .	40,913	35,488
Raw hides . . . . .	32,730	33,108
Scrap iron . . . . .	23,011	26,323
Fur skins . . . . .	24,998	25,021
Electrical machinery and equipment . . . . .	18,473	21,809
Oranges and lemons . . . . .	6,522	20,838
Tobacco . . . . .	22,360	19,526
Combed wool . . . . .	20,067	16,502
Herrings, fresh and salted . . . . .	13,564	15,972
Vegetable and animal fats and oils . . . . .	15,347	15,400
Wool, washed . . . . .	15,146	14,203
Rags . . . . .	11,170	13,788
Copper, copper sheet . . . . .	10,822	11,492
Leather . . . . .	10,044	10,192
Total . . . . .	798,760	859,547

## TRADE WITH CANADA

The principal details of Canadian trade with Poland during the fiscal years 1931 to 1935 are shown in the following table:—

*Canadian Trade with Poland, Fiscal Years 1931 to 1935*

	Imports from Poland	Exports to Poland
1931 . . . . .	\$139,003	\$ 60,918
1932 . . . . .	72,555	35,299
1933 . . . . .	84,861	31,822
1934 . . . . .	66,094	71,976
1935 . . . . .	154,309	402,067

It is to be observed that the data relative to Canadian trade with Poland are actually for Poland and the Free City of Danzig, which has, until recent years, been the principal port of entry for all of Poland's water-borne imports. The point is of interest as well that Canadian exports to Poland reached a record total of \$455,975 during the fiscal year ended March 31, 1928, since which time there have been heavy declines in these values until 1935.

There being many discrepancies between Canadian and Polish figures of trade between the two countries, the following analysis of business in individual commodities has been based on Canadian statistics. It may be noted, however, not only that certain quantities of Canadian products are exported to Poland through ports in the United Kingdom and Hamburg, for example, and are accordingly not credited to Poland in Canadian trade returns, but also that Polish statistics of trade with Canada omit certain values of imports which may have been transhipped en route to the Polish market and apparently include values of exports which should be credited to the United States. Official Polish data indicate imports from Canada valued at 208,000 zloty and 1,435,000 zloty during the calendar years 1934 and 1935 (\$39,104 and \$269,780), while exports during the same years are given as 14,567,000 and 4,764 zloty respectively (\$2,738,596 and \$895,632).

## IMPORTS FROM POLAND

The following table of imports from Poland indicates the absence of variety which has invariably characterized Canadian purchases from this country as well as the substantial improvement in values during 1935 over those of the previous year:—

*Imports from Poland, by Principal Commodities, Fiscal Years 1934 and 1935*

Commodity	1934	1935
Hops . . . . .	\$46,113	\$ 47,266
Footwear . . . . .	228	22,224
Wooden furniture . . . . .	2,088	13,388
Malt . . . . .	.....	11,806
Seeds . . . . .	1,921	9,532
Cotton goods . . . . .	2,504	8,544
Copper sulphate . . . . .	.....	4,914
Pine tar . . . . .	2,257	4,402
Other . . . . .	10,983	32,233
Total . . . . .	66,094	154,309

## EXPORTS TO POLAND

Canadian trade to the Polish market is even more restricted in variety than in the case of imports from that country. As shown in the following table, over 75 per cent of the total export values during 1935 was made up by shipments of copper in the form of ingots, bars, cakes, slabs, and billets, the only other exports of importance being those of furs and rags.

*Exports to Poland, by Principal Commodities, Fiscal Years 1934 and 1935*

Commodity	1934	1935
Copper . . . . .	\$36,645	\$306,008
Furs and manufactures . . . . .	23,432	20,269
Rags . . . . .	.....	13,825
Fresh apples . . . . .	.....	7,840
Skates . . . . .	5,423	4,149
Other . . . . .	5,843	49,976
Total . . . . .	71,343	402,067

## CANADA-POLAND CONVENTION OF COMMERCE

The regulation of import trade by the Polish Government which, for some time past, has necessitated the securing of permits for the purchase of various foreign goods described as "prohibited" imports was intensified, some six months ago, by the application of similar regulations to all purchases of foreign products. The situation was further complicated by the introduction of regulations preventing the transfer abroad of foreign exchange except under licence. Canadian exporters should exercise due care, in negotiations with Polish connections, to ascertain that import permits are available or, preferably, that full payment has been or can be made as in the normal course of events.

Under the terms of the Canada-Poland Convention of Commerce, 1935, which came into force on August 15 of this year, each party to the agreement has granted most-favoured-nation treatment to the other. In addition, such Canadian products as sardines, herrings, salmonoids and lobsters, patent leather, raw silver, fox skins, chemical woodpulp, and ice skates have been accorded special tariff treatment on importation into Poland. It is already clear that exports to the Polish market of copper, aluminium, asbestos and various other products of the Canadian mining industry will continue as in the past, while improvements in the trade in such goods as fresh apples, canned fish, furs, woodpulp, sausage casings, and rubber goods are anticipated. Canadian exporters who require additional information to that provided above or assistance in arranging connections with Polish importers are requested to communicate with the Canadian Trade Commissioner in Hamburg.

## MARKET FOR CANADIAN HONEY IN THE NETHERLANDS

W. G. STARK, ASSISTANT TRADE COMMISSIONER

(One metric ton equals 2,205 pounds; one kilo equals 2.2 pounds; one florin or guilder equals \$0.68 at current rate of exchange)

Rotterdam, September 18, 1936.—There is a considerable market in Holland for foreign honey. The principal demand is for the buckwheat variety, which is used by confectioners as an ingredient in cakes and pastry. Domestic production is small, and mostly confined to clover honey for table use which is not directly competitive with the imported buckwheat honey. Cuba is the principal supplier of the latter kind, followed in 1935 by Mexico, the United States, and France. Canadian honey is known, appreciated, and bought whenever prices are competitive.

### IMPORTS

Total imports of honey into Holland in 1935 amounted to 4,553 metric tons and were valued at fl.617,545 (approximately \$419,930). Cuba was the principal supplier, imports from that country weighing 3,160 tons and being worth fl.390,660 (\$265,650), or almost two-thirds of the total importations. Mexico was second with 526 tons valued at fl.63,387 (\$43,100). The United States was in third place based on weight, though France occupied this position in value, the respective figures being 270 tons valued at fl.48,465 (\$32,950) and 206 tons valued at fl.57,907 (\$39,377). Canada supplied 44.8 tons valued at fl.8,698 (approximately 98,587 pounds at \$5.915).

Though there is some variation from year to year, honey imports are usually of considerable volume and value. The table below gives the figures for the past four years and also for the January-August periods of 1935 and 1936:—

Period	M. Tons	Fl.
1932 .....	3,945	742,605
1933 .....	4,570	755,222
1934 .....	3,264	539,277
1935 .....	4,553	617,545
1935 (January-August) .....	3,403	449,000
1936 (January-August) .....	3,126	461,000

In the eight-month period of this year the Dominion shipped 144 metric tons valued at fl.29,000, or approximately 317,520 pounds at \$19,720. On account of crop conditions, imports from Canada during the last two years have not been as large as usual. Considerable supplies have been derived during the present year from San Domingo, though Cuba and Mexico still remain in first and second place.

### TYPES

Cuban buckwheat honey is somewhat lighter in colour than that from Canada, but the strength and flavour are not as well liked. Its low price, however, is a big selling factor and enables that country to remain as Holland's principal supplier. Mexican honey closely resembles that exported from Cuba. French honey, which comes principally from Brittany, is regarded as being the standard of the buckwheat type, and the strength of offers from this source has a good deal to do with the price which Canadian honey can obtain. The sugar content is said to be not quite as high, although otherwise the two varieties are not dissimilar. Most of the honey imported from the United States comes from California. Soviet Russia used to supply a considerable volume, but recently imports from that source have been negligible.

### PACKING

The local trade prefers barrel packing, as this form is liked better in the bakeries and factories where the honey is used. Cuban shippers employ large

easks containing 50 gallons, which have a gross weight of about 550 pounds. They allow a 12 per cent reduction for tare. New barrels are preferred, and the fact that Canadian shippers usually employ clean new barrels and the Cuban second-hand ones helps sometimes to secure a slight premium. During the past year or so, however, price is practically the sole consideration and the premium has tended to disappear.

Canadian honey also arrives in tins of 60 pounds, though barrels are actually preferred by the trade.

#### TERMS AND REPRESENTATION

As regards the method of doing business, foreign shippers customarily place this in the hands of a local importer broker. This individual may do a certain amount of purchasing for his own account, while in other cases shipment will be made direct to his customers, on whom the documents will be drawn.

It is usual to attach a sight draft to the bill of lading, although other terms may, by mutual agreement, be used.

#### DEMAND

The honey used is practically entirely consumed by the confectioners in the manufacture of various cakes and breads. Foreign buckwheat honey supplies are brought in almost entirely for this purpose. The demand for table honey is slight. The small domestic crop is clover honey and is consumed locally.

#### DUTIES

The import duty on honey into the Netherlands in bulk is fl.5 per 100 kilos.

When entered packed in containers of 1·2 kilo or less, the rate applicable is 12 per cent ad valorem plus fl.27.15 per 100 kilos.

In addition, there is in each case a turnover tax of 4 per cent based on the c.i.f. value and also a special duty of 1 per cent.

These rates apply to imports from all sources. There are no currency or payment restrictions. Only the ordinary commercial invoices are required.

#### PRICES

In 1935 the Canadian product came on the market in August at about \$0.06 per pound c.i.f. Rotterdam. It dipped to \$0.05 $\frac{3}{4}$  in September, and went up to \$0.07 $\frac{1}{4}$  in February, 1936. Recent shipments of old-crop honey were made at around \$0.06 $\frac{1}{2}$ . No offers for new-crop honey have as yet been received.

Cuban buckwheat honey is selling at from \$10.75 to \$11 for old and new crops, shipments of old-crop being practically finished though there is some September-October still to come. New crop is offered for October-November, November-December shipment. Mexican honey is about the same price; the last quotation was \$10.75. These are both per 100 kilos c.i.f. Rotterdam. In the winter Cuban supplies were sold as high as \$12 to \$12.50 per 100 kilos c.i.f. Rotterdam. New-crop French (Brittany) honey is at present above the market, being quoted at approximately fl.43 per 100 kilos (roughly \$29.24 per 220 pounds) c.i.f. Rotterdam. Little or no business is expected at this level.

#### PROSPECTS FOR CANADIAN HONEY

Due to the high price of the Brittany product and the general condition of demand, there are good prospects for sales of Canadian honey in the Netherlands if exporters have any supplies to offer. The Rotterdam office is in touch with several Holland importers who are desirous of obtaining connections in Canada for buckwheat honey.

Canadian exporters are invited to submit full details, including c.i.f. Rotterdam quotations, to this office. Offers should be accompanied by sufficient samples. Quantity and time of intended shipment should be carefully specified.

The names of the interested local firms are also on file in the Department of Trade and Commerce and available to interested parties. In the event of offers being made direct, a duplicate of the quotations should be forwarded to the Rotterdam office for follow-up purposes.

## WHEAT AND FLOUR TRADE REGULATION IN EUROPEAN COUNTRIES

### XIV<sup>1</sup>

#### France

J. P. MANION, ACTING COMMERCIAL ATTACHÉ

(NOTE.—This report, it should be noted, was written prior to the recent devaluation of the French franc, and deals with the situation created by the law of August 18)

Paris, September 11, 1936.—On August 18 the text of the new law creating a National Wheat Office in France was published. The text of the law is general, and must be supplemented by a series of regulatory decrees which will define the powers of the Central Committee and advise as to the formalities which will be required.

#### ORGANIZATION OF THE WHEAT OFFICE

The new office is a public institution, working under the Ministry of Finance in financial matters and the Ministry of Agriculture for technical matters. The director is appointed by the Minister of Agriculture.

The office is composed of a Central Council consisting of fifty-one members, comprising twenty-nine representatives of the wheat growers, nine representatives of the consumers, nine representatives of millers, bakers, and brokers, and four representatives of the Government.

#### FUNCTIONS OF DEPARTMENTAL COMMITTEES

A departmental committee will be formed in each French department (ninety in all) to control production and trade, apportion sales to millers, advise the National Office as to the regulation of prices, and the organization of production.

The departmental committees are formed in the same way as the Central Office. They will arrange for the formation of new co-operatives where necessary, and regulate the activities of all co-operatives. Users of the latter will divide the costs in proportion to the amount of wheat delivered by them. They will receive subsidies from the National Office when necessary to defray expenses, and receive loans from agricultural credit branches of the Government at special rates.

Merchants and traders, while not receiving special loans or subsidies, may continue to function on the same basis as co-operatives, under the control of the departmental committee. They will be obliged, however, to buy the whole crop of a farmer with whom they deal. This is a safeguard to prevent the producer from selling his best grain to a private trader and consigning the rest to the co-operative.

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<sup>1</sup> Previous reports on this subject were published as follows: United Kingdom (No. 1695); Switzerland (No. 1697); Netherlands, Germany and Czechoslovakia (No. 1698); the Irish Free State and Portugal (No. 1699); Belgium (No. 1700); Italy (No. 1701); Denmark and Finland (No. 1703); and Norway (No. 1705).

Complete monthly statements of all dealings must be made to the departmental committee by both traders and co-operatives. Co-operatives not having sufficient storage space may use that provided by private traders, or may even leave wheat already bought in the storage space provided by the selling wheat-producer.

The Central Council will exercise strict control over the departmental committees, co-operatives, traders, millers, etc.

#### TAX ON SALES BY CO-OPERATIVES OR TRADERS

A tax of 15 centimes per quintal, or half a cent per bushel, will be applied against sales by co-operatives or traders. Half is to go to the National Office and half to the departmental committee.

#### ESTIMATING THE CROP AND FIXING THE PRICE

In the second week in June the Central Council will establish an estimate of the forthcoming crop. On the basis of this estimate, the amount that each producer may sell will be fixed.

In the second week in August the Central Council will fix the standard price, based on averages for 1911, 1912, and 1913, increased by 5, and varying with the cost of living, salaries, and cost of agricultural exploitation. The price will increase each month by the average cost of storage, interest, etc. The fixed price is for a definite standard. Standard quality is wheat weighing 72 kilos per hectolitre or about 57 pounds to the bushel, and with less than 2 per cent foreign matter. Prices are graded up or down from this standard according to variations from those conditions.

#### FIXATION OF PRICE OF FLOUR AND BREAD

The Central Council may also fix the extraction rate for flour. Price of flour and price of bread will be fixed as heretofore by local prefects, according to established rules, taking into consideration cost of transport, etc.

Between April 15 and May 1 each producer must declare to the mayor of his commune the number of hectares he has planted to wheat.

Before September 30 the producer must declare the totality of his crop.

Before February 1 the Central Council will assemble to determine, in view of crop results, the amount, if any, of wheat to be imported up to September 1, and whether or not "security stocks" may be placed on the market.

#### CONTROL OF EXCESS CROPS

In the case of excess crops, the Central Council will determine the amounts of wheat to be exported, time of export, prices, etc. They will also determine the amount which producers will have to supply for export, at a price up to 20 per cent lower than the domestic price. This control of excess crop may extend itself by 1938 to a quota system, whereby producers who increase their production unduly must sell at lower prices to be fixed by the Central Council.

The temporary admission of wheat is abolished.

#### MIXING OF WHEAT

For mixing, North African wheat will be used up to the point where quantitatively or qualitatively it is not sufficient. If wheat or flour is exported, the Central Council will fix the price at which such exporters may obtain imported wheat in exchange.

#### FUND FOR EXPORT SUBSIDIES

Up to 400,000,000 francs or \$27,000,000 of the customs duties imposed on imports will be credited to the National Office, to create a fund for export subsidies, etc.

## ADVANCE PAYMENT TO PRODUCERS

Producers may obtain immediately upon declaration of their crop an advance of two-thirds of the price fixed by the Central Council.

Four quintals or  $16\frac{1}{2}$  bushels per person and per year may be retained by the producer, the landowner, and the agricultural worker for their own personal use, by the exchange of this wheat against flour.

## TAX ON WHEAT PRODUCTION

The law establishes a tax on the production of wheat. There is no tax on the first 100 quintals (400 bushels) produced. Production beyond this amount is subject to a tax ranging from 1 franc to 6 francs per quintal (from  $1\frac{1}{2}$  cents to 9 cents per bushel) depending upon the amount of wheat produced. Similarly there is a tax on milling ranging from 4 francs to 5 francs per quintal (12 to 15 cents per 100 pounds), depending upon the quantity of flour milled, with production up to 8,000 quintals (880 tons) per year being exempt from the tax.

## ABOLITION OF TEMPORARY ADMISSION SYSTEM

From the point of view of Canada, the most important clauses of the new law have to do with temporary admission of wheat. Up to the present, although France for the last four years produced enough wheat for its internal needs, the importation of wheat was permitted in bond free of duty provided an equivalent amount of wheat derivatives were re-exported. The system was regarded adversely by the producers, and under the new law "temporary admission" is abolished, and in its place is substituted a system under which an exporter of wheat or its derivatives may afterwards apply for permission to import equivalent quantities of hard wheat. It is believed that there is less opening for fraudulent practice through a system of prior exportation.

The rules under which such exchanges may be effected have not yet been prepared, so that it is impossible as yet to say how far this will affect trade in Canadian wheat. For mixing, however, preference will probably continue to be given to Canadian wheat.

Besides this system, there is of course the possibility of importing in a short-crop year by paying the customs duty. In this case imports are intended only to supplement the shortage of the French crop, and they will no doubt take place on a price basis, since wheat of the same quality as the French is all that is required.

## FIXING THE PRICE OF WHEAT

The first decision of the Central Council of the new Wheat Office in France was the fixing of the price of wheat. The price at September 1 is 140 francs per quintal for wheat weighing 72 kilos per hectolitre. This is approximately \$2.50 per bushel on the basis of wheat weighing 57 pounds per bushel. This is a price to the producer for local delivery to the nearest co-operative or other buying agency, so that it is practically net and does not compare with the Canadian price for Fort William delivery, from which about 8 cents must be deducted from the amount actually received by the producer. On the other hand, there is a production tax which has already been referred to. A producer of over 4,000 bushels, for instance, must pay a production tax of about 9 cents a bushel.

## BASIC PRICE

The basic price as given above increases monthly to cover the cost of storage. The following sets forth the prices (in francs per quintal of 220 pounds) until the beginning of the new crop year: September, 140 frs.; October, 141; November, 142; December, 143; January, 144; February, 145.50; March, 147;

April, 148.50; May, 150; June, 151.50; July, 153 frs. Extra payment will be made for wheat weighing over 72 kilos per hectolitre (57 pounds per bushel) and with less than 2 per cent foreign matter, and deduction for wheat below that standard.

Any wheat under 67 kilos per hectolitre is considered unfit for human consumption, and as no provision is made for it at present under the law, it will presumably be bought and sold freely for feed purposes.

#### INSURANCE TAX

In addition to the production tax, the producer will contribute to a sort of insurance which will form a fund guaranteeing the financial integrity of co-operatives or private traders. This payment will be at the rate of 50 centimes per quintal (not quite 1 cent per bushel).

#### RESTRICTION ON SALES

As sales of wheat must be proportioned over the whole year according to law—although producers may receive loans immediately up to 75 per cent of the value of their crop—a decree has ordained that producers may not sell more than 10 per cent of their crop before November 1. This appears to be a small proportion for two months, but is probably meant to work off the carry-over. A new scale of monthly sales will be established effective from the latter date.

It has also been decided by the Central Council that the wheat bought at the above rates will be sold to the millers or other users at an increase in price of 2 francs per quintal—about 3 cents per bushel. It is already claimed that private traders, who were given an opportunity to compete with the co-operatives by law, will be completely excluded by this measure. However, the trader with cleaning machinery will probably buy low-quality wheat, clean and sort it, and may be able to obtain his profit in this way.

#### WHEAT FOR ALIMENTARY PASTES

Hard or Durum wheat for semolina and alimentary paste manufacture are treated in a slightly different fashion than are soft strong wheats (which is the official French terminology for what is called hard wheat in Canada). This separate price treatment will not be given in detail here, but may be obtained on application to the Department of Trade and Commerce, Ottawa.

#### INCREASE IN PRICE OF BREAD

An immediate result of the fixing of the price of wheat has been the increase in the price of bread. This price is fixed by the prefectural authorities in the different regions, since it is impossible to fix a price for the whole country due to differences in transport charges, in wages, local taxes, etc. However, for the Paris region the price of bread has gone up from 1.70 francs per kilo in June to 2.15 francs per kilo at present—an increase of 25 per cent, about equal to the normal increase in prices to be expected as a result of the policies of the new Government.

### BREWING INDUSTRY AND TRADE OF BELGIUM

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

(One hectolitre equals 22 gallons; one dollar equals 29.625 Belgian francs)

Brussels, September 18, 1936.—The production of beer is one of the principal industries of Belgium. This country is the fourth largest producer of beer in the world, accounting for about 7 per cent of the world's total output.

Until the close of the last century, brewing remained practically a home industry in Belgium, but after this period it expanded rapidly. In 1880 there

were 2,754 breweries, with a total production of 9,516,000 hectolitres. In 1910 there were 3,349 breweries and production had risen to 16,018,000 hectolitres (352,396,000 gallons).

BREWERIES DECREASING IN NUMBER

During the Great War the industry suffered considerably as a result of the requisitioning, by the army of occupation, of all the copper available, this metal being predominant in the equipment used in this particular industry.

At the conclusion of hostilities it became necessary to renew the equipment in all the plants, and as a result many small establishments were forced to remain idle through being unable to compete with breweries disposing of larger capital. In many cases these smaller plants became distributors for the larger ones or obtained contracts from them for the sale of bottled beer. On the other hand, in some areas the brewers got together and pooled their resources and equipment to form a single organization for the sale of their products.

The following table shows to what extent the number of establishments has been reduced since 1910:—

Year	Number of Breweries	Production 1,000 Hectolitres
1910.. . . . .	3,349	16,018
1920.. . . . .	2,013	10,708
1930.. . . . .	1,556	16,662
1933.. . . . .	1,457	14,667
1935.. . . . .	1,222	14,050

PRODUCTION AND SALES METHODS

Before the war Belgian beers were produced mainly by high or spontaneous fermentation, the latter type being known as the Gueuze, Krieken-lambic, and Faro. The low-fermentation process, introduced after the war, is now chiefly used, consumers having developed a preference for the beer known locally as "export." There has also been a tendency to produce beers of a new variety as well as those imitating imported products, and the sale in bottles has considerably increased. In this connection it may be noted that imports of foreign beer have decreased from 363,000 hectolitres in 1913 to 228,000 in 1930 and 92,000 in 1935.

Some Belgian breweries have a production exceeding 500,000 hectolitres per annum, and with the improvement in the equipment utilized it would appear that the total productive capacity exceeds local requirements, while facilities for storing are limited to only one-fifth of the actual output. The population of Belgium is about 8,300,000.

As a result of the changes which have taken place in the industry, the selling problem on the home market (sales abroad are not important) has become more difficult. With the object of assuring themselves of regular clients over a certain number of years, brewers have been obliged to exert financial pressure on the owners of cafés; they have signed exclusive contracts for the sale of beer in kegs by the granting of credits for the re-equipping, with furniture and materials, of cafés, taverns and drinking houses, and occasionally this method of financing extends to the leasing and even the acquisition of property.

PERSONNEL EMPLOYED AND SALES COSTS

The Belgian brewing industry employs a total personnel which varies from 15,000 to 20,000, depending on the season and the state of the market.

It should be added that other industries are largely dependent upon the brewing trade, such as malting, sugar, and glucose plants, glass bottle factories and cooperage works, and manufacturers of brewing machinery and handling equipment.

A recent estimate places sales costs at about 10 Belgian francs per hectolitre of beer (0·34 cent per quart), including expenditure on transport and publicity, and for certain types of beer these sales costs exceed 10 per cent of the selling price.

Excise duties on raw materials such as sugar, etc., are rather heavy, and brewers are desirous of having these reduced.

As a result of the progress achieved in the last few years in the brewing industry in Belgium, the point has been reached where consumption is relatively stable and, in order to extend the demand further without increasing competition amongst themselves, the local breweries will be obliged to decrease their general operating expenses and also embark on a systematic propaganda designed to increase the consumption of beer.

#### BELGIUM'S IMPORTS AND EXPORTS OF BEER

Belgian imports of beer in kegs during 1935 totalled 91,295 hectolitres (1,908,490 gallons) valued at 20,487,000 Belgian francs (\$691,500), of which the United Kingdom supplied 57,681 hectolitres, and Germany 19,567 hectolitres. Imports of beer in bottles totalled 960 hectolitres (21,120 gallons) valued at 186,000 francs (\$6,280), Denmark supplying 611 hectolitres.

Exports of beer in kegs from Belgium in 1935 totalled 2,067 hectolitres (45,474 gallons) valued at 521,000 francs (\$17,590), of which 625 hectolitres were shipped to Morocco and 856 hectolitres were for ships' stores. Exports of bottled beer totalled 5,051 hectolitres (111,112 gallons) valued at 1,176,000 francs (\$40,000), of which 1,945 hectolitres were for ships' stores, 584 hectolitres for French West Africa, 394 hectolitres for Morocco and 326 hectolitres for the Belgian Congo.

#### CONFECTIONERY INDUSTRY AND TRADE IN JAPAN

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

Tokyo, August 13, 1936.—The confectionery industry in Japan is one which has rapidly developed along Western lines. Confections conforming to European and American tastes are consumed extensively by the younger generation in Japan, although the older generation still cling to Japanese-style confections which are made of rice flour, millet flour, wheat flour, ground tea, or crushed peas and beans. Several manufacturers of Japanese-style products have a history which can be traced back for several centuries. They are, however, being gradually swamped by large-scale companies with adequate capital and modern equipment who produce Western style confectioneries such as sweets, candies, biscuits, and chocolate.

#### NUMBER OF ESTABLISHMENTS AND CAPITALIZATION

The number of establishments at the end of the year 1934 was 1,157 with a total capitalization of 55,273,135 yen as against 1,033 with 52,771,994 yen at the end of 1933, showing an increase of 12 per cent in number of establishments and 4·7 per cent in capitalization. The majority of the firms are concentrated in Tokyo or its vicinity. Two of the most important of these, which have large plants with modern equipment, are the Morinaga Company (capital 7,500,000 yen) and the Meiji Company (capital 6,000,000 yen), who have chain stores, in addition to their own candy stores, in the principal cities and towns. Factory—i.e. plants with five employees or over—production and sales of confectioneries (foreign and Japanese style) are estimated at not less than 100,000,000 yen per annum. Consumption of high-grade flour, sugar, butter, and milk are accordingly substantial imports.

### PRODUCTION

The total production of confectioneries in 1934 was valued at 95,088,745 yen, showing an increase of about 12 per cent over the previous year. Production by bakeries for 1934 amounted to about 6,000,000 yen. The above-mentioned figures cover organizations with five employees or over. A total production of confectionery products amounting to about 150,000,000 yen would be a fair estimate if the number of small producers with less than five employees are also taken into consideration.

Formerly, confectioneries were principally made from beans and peas, and bean-jelly (yokan) was and is still highly appreciated. Flours of grains and cereals were also employed, but not according to foreign methods. After the arrival of the Dutch and Portuguese the making of sponge cake was begun. This may be said to have initiated foreign-style confectioneries in Japan. The demand for chocolate by the younger generation belongs to the last decade or so, as Russian refugees established themselves in the principal cities and towns, manufacturing Russian chocolate.

### IMPORTS

Imports of confectioneries, though diminishing, are still carried on by foreign provision stores in Japan, which sell these to foreign residents. These, however, show an annual reduction as the home industry develops to take care of the local demands, also possibly due to the depreciation of the Japanese currency, which increases the cost of imported goods.

Imports of confectioneries and jams in 1935 totalled 1,453 cwts. (61,000 yen) compared with 1,163 cwts. (15,000 yen) in 1934 and 3,230 cwts. (132,000 yen) in 1931. Belgium, Great Britain, and the United States were quantitatively the chief sources of supply in 1935; in value Great Britain led.

The prospects for imports are limited, unless it be for raw or semi-manufactured articles as material for the industry. High-grade wheat, flour, butter, dried milk—especially since butter and dried milk are no longer imported from Australia—find a market with the confectionery companies; it is still difficult to secure sufficient of these products locally. Opportunities exist in these products, but prices must be competitive. Canadian wheat flour, owing to its high quality, is used by confectioners and bakers in Japan, but as an example of the difficulties to be met, much as Canadian wheat flour is in every way satisfactory for making soda biscuits, the fact that the biscuit had a yellowish colour prevented the interested firm from developing sales because the consuming public wanted a biscuit of whitish colour.

### EXPORTS

The low prices of Japanese products, coupled with the decline of the currency, has made it possible to expand the export of Japanese confectioneries in overseas markets, but almost exclusively to Asiatic countries. Exports—consisting principally of biscuit, chocolate, and candies—in 1935 totalled 76,977 cwts. (1,648,000 yen) compared with 19,813 cwts. (492,000 yen) in 1931. Kwantung Province and China alone take one-half of the total exports.

### JAPANESE ICE CREAM INDUSTRY

The ice cream industry in Japan is of relatively recent date; there are only a few firms which undertake its manufacture on an industrial scale. The Hokkaido Dairy Producers' Co-operative Association at present control the market, supplying 90 per cent of the total demand of approximately 5,000,000 pounds per annum. One company produces an ice cream similar to "Eskimo Pie." The consumption of ice cream is steadily increasing at the expense of sliced ice

which, till ice cream was popularized, had been and in fact still is in great demand during the summer season. Sales at one time were practically all plain vanilla; fruit essences such as pineapple, orange, strawberry, peach, or ground green tea are now used extensively.

## MANCHURIAN CROP FORECAST FOR 1936

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Tientsin, September 1, 1936.—The first official crop forecast for the present year covering the main agricultural products of Manchuria, excluding Jehol and Hsingan Provinces, has recently been issued. It was compiled after a joint investigation carried out by the Department of Industry, the State Railways, and the South Manchuria Railway Company and is based on crop prospects as at July 1. Total production is estimated at 16,870,000 metric tons, which constitutes an increase of about 1,300,000 tons or 8 per cent as compared to 1935, which itself showed an increase over the preceding year.

The production rise this year is attributed mainly to better growing weather during critical periods and to the greater acreage planted, much of this increase having been reclaimed waste land. Of the main crops, wheat is the only one to show an appreciable decrease, in spite of the greater area under cultivation. The estimate for this crop is only 91 per cent of last year's outturn, although it is 105 per cent of the long-time average.

### AREA CULTIVATED AND ESTIMATED PRODUCTION

The following table shows the area cultivated, estimated production, and increase or decrease as compared with 1935, in each of the main products for the year under review:—

Products	Area under Cultivation (Hectares)	Crop Forecast (M. Tons)	Inc. or Dec. compared with 1935 Yield (M. Tons)
Soya beans . . . . .	3,417,932	4,233,104	470,061
Other beans . . . . .	356,714	346,654	38,441
Kaoliang . . . . .	2,870,296	4,234,487	272,243
Millet . . . . .	2,510,167	3,223,176	310,489
Maize . . . . .	1,269,166	2,055,593	191,695
Wheat . . . . .	1,069,883	974,658	— 30,588
Rice . . . . .	168,451	399,525	109,483
Upland rice . . . . .	115,737	151,507	5,088
Other cereals . . . . .	919,048	1,073,770	— 8,074
Hemp seed . . . . .	57,578	40,906	— 4,343
Perilla seed . . . . .	170,300	133,481	— 47,935
Total . . . . .	12,925,272	16,866,861	1,306,560

Taking 100 per cent as the basis of production for each product in 1935, and the same basis for the long-term average, the percentage of each in the present year is (the long-term average being in parentheses): soya beans, 108 (100); other beans, 113 (98); kaoliang, 107 (97); millet, 107 (99); maize, 109 (101); wheat, 91 (105); rice, 110 (101); upland rice, 111 (98); "other" cereals, 107 (101); hemp seed, 100 (90); perilla seed, 95 (93); and total, 108 (100).

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### Anglo-Turkish Trade Agreement

The Canadian Trade Commissioner in London writes that the Trade and Payments Agreement between the United Kingdom and Turkey, which was referred to in *Commercial Intelligence Journal* No. 1640 (July 6, 1935), has been superseded by a new agreement which was signed on September 2. The principal change effected is that United Kingdom buyers of Turkish goods, and

Turkish buyers of United Kingdom goods, must in future arrange payment through the clearing machinery established. Formerly there was no obligation to do so. In other words, Anglo-Turkish trade is now placed on a full clearing basis. At the close of August it appeared that more than £1,000,000 of money owing to British creditors was blocked in Turkey, and it is hoped that the revised agreement will materially reduce the delays in payment that are at present experienced by British exporters.

### **Irish Free State Export Bounty on Bacon**

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises, under date September 22, 1936, that the Department of Agriculture has announced that the export bounty payable on bacon, hams and other cured pigs' meat, for the period October 1 to November 30, 1936, will be at the rate of 15s. per cwt., or 1s. per cwt. less than the rate formerly paid.

### **Marking Earthenware for Australia**

With reference to notices appearing in *Commercial Intelligence Journal* No. 1703 (September 19), page 585, and earlier issues, respecting the marking to be required on sanitary earthenware imported into Australia, information is now received that the date of enforcement of the regulation requiring such marking has been postponed from September 1, 1936, to April 1, 1937.

### **French Tariff Reductions**

Mr. J. P. Manion, Acting Commercial Attaché in Paris, cables that under a French decree published October 3, 1936, all customs duties on goods which are not subject to a quota restriction when imported into France have been reduced by 20 per cent for raw materials, 17 per cent for semi-manufactured materials, and 15 per cent for manufactured goods. These reductions are effective on goods passed through the customs on and after October 10, 1936. Licence taxes, to which many products under quota were subject in addition to the customs duty, are reduced by 20 per cent. Exchange surtaxes are abolished as regards imports from all countries subject to such surtaxes except China and Japan, for which countries the surtax has been reduced from 25 per cent to 10 per cent ad valorem.

#### **FRENCH QUOTA RESTRICTIONS REMOVED**

The foregoing decree also removes the quota restrictions on a number of products, including porcelain insulators, cultivators, horse rakes, harrows, agricultural forks, flour-milling machinery, veneers and counter veneers, silk stockings weighing more than 500 grams per dozen pairs, and elastic tissues.

#### **QUOTAS ON CANADIAN GOODS**

As regards products still subject to quota restrictions, Mr. Manion advises that the quotas accorded to Canada in accordance with the percentages guaranteed are as follows (in metric quintals of 220 pounds): barley, 2,250; cheese, 240; rolled oats, 3,000; apples, 5,280; sweetened biscuits,  $3\frac{1}{2}$ ; lead, 1,821; mowers, 4; unspecified agricultural machinery, 27; patent leather, 48; calf and small skins,  $7\frac{1}{2}$ ; insulating board, 125; and cinematograph films, 3. (Information regarding quotas for the previous quarter was published in *Commercial Intelligence Journal* No. 1693, of July 4, 1936, page 88.)

### **Canadian Cattle Exports to the United States: Deposit of Estimated Duties**

Mr. D. S. Cole, Canadian Trade Commissioner in New York, writes that it is understood that up to September 19, 94.4 per cent of the 1936 quota of cattle weighing 700 pounds or more each, and not specially provided for, which are to be admitted from Canada into the United States at 2 cents per pound compared with the ordinary tariff of 3 cents per pound (Item 701), had been imported. The quota amounted to 155,799 head, this figure representing three-quarters of 1 per cent of the average annual total number of cattle slaughtered in the United States during the calendar years 1928 to 1932 as provided for in the Trade Agreement between Canada and the United States. In consequence of the imports that have so far been made of cattle weighing 700 pounds or more each and not specially provided for, the Treasury Department at Washington has made the following announcement:—

Effective September 28, 1936, importers of this class of cattle will be required to deposit estimated duties representing the full rate of duty under Paragraph 701 of the Tariff Act of 1930. Upon the termination of the importation of this class of cattle which comes within the quota limitation the Bureau will authorize the Collector of Customs to refund duties paid in excess of the reduced rate of duties provided under Schedule 2 of the Trade Agreement. In addition to the data required on reports to the Bureau of Commodities imported under the quota provision of the Canadian Trade Agreement as outlined in previous instructions from the Bureau there shall be shown on these reports the exact time each entry covering cattle weighing 700 pounds or more each and not specially provided for is accepted.

### **Cuba Removes Consumption Tax from Flour**

A notice in the Cuban official *Gazette* of September 18, 1936, removed as from September 3 a consumption tax of  $\frac{1}{2}$  cent per pound on wheat flour imported into Cuba irrespective of the country of origin. A circular of July 14 announced removal of the consumption tax from flour imported from the United States in pursuance of the United States-Cuban Trade Agreement of 1934 and now the suppression of the tax has been applied to flour from all countries.

### **Cuban Minimum Tariff on Certain Products**

With reference to the notice in *Commercial Intelligence Journal* No. 1680 (April 11, 1936), page 665, concerning the extension of the Cuban minimum tariff on certain products, Mr. E. L. McColl, Canadian Trade Commissioner in Havana, advises that a Cuban decree gazetted October 3, 1936, applies the minimum tariff for a further six months—i.e., until April 2, 1937—to codfish and malt regardless of the origin of these goods. In the absence of this decree Canadian products would have been subject to the maximum tariff, which is double the minimum.

### **New Mexican Documentation Requirements**

Mr. S. G. MacDonald, Acting Trade Commissioner in Mexico City, reports under date September 23, 1936, that instructions have recently been issued by the Ministry of Foreign Affairs of the Government of Mexico to its consular officers abroad advising that in future an additional copy of the commercial invoice on goods exported to Mexico will be required; this makes a total of eight copies, the eighth of which should be forwarded by the shipper to the consignee in Mexico for his use in connection with tax returns. All these copies must first be submitted by the shipper to the Mexican consular officer at the nearest point from where the goods are shipped in order that the amount of the advance of 5 per cent of the net value of the merchandise may be marked thereon (see *Commercial Intelligence Journal* No. 1696: August 1, 1936, page 240).

# FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCTOBER 5

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 5, and for the week ending Friday, September 25, 1936, with the official bank rate.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 25	Nominal Quotations in Montreal Week ending Oct. 5	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1886	\$ .1875	3½
Belgium . . . . .	Belga	.1001	.1689	.1680	2
Bulgaria . . . . .	Lev	.0072	.0129	.0127	6
Czechoslovakia . . . . .	Krone	.0296	.0413	.0403	3
Denmark . . . . .	Krone	.2680	.2242	.2196	3½
Finland . . . . .	Markka	.0252	.0222	.0217	4
France . . . . .	Franc	.0392	.0658	.0467	3
Germany . . . . .	Reichsmark	.2382	.4015	.4017	4
Great Britain . . . . .	Pound	4.8666	5.0230	4.9175	2
Greece . . . . .	Drachma	.0130	.0094	.0090	7
Holland . . . . .	Guilder	.4020	.6749	.5249	3
*Hungary . . . . .	Pengo	.1749	.2955	.2953	4
Italy . . . . .	Lira	.0526	.0785	.0526	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0229	.0229	5
Norway . . . . .	Krone	.2680	.2526	.2470	3½
Poland . . . . .	Zloty	.1122	.1883	.1882	5
Portugal . . . . .	Escudo	.0442	.0456	.0446	4½
Roumania . . . . .	Leu	.0060	.0073	.0073	4½
Spain . . . . .	Peseta	.1930	.....	.....	5
Sweden . . . . .	Krona	.2680	.2590	.2535	2½
Switzerland . . . . .	Franc	.1930	.3250	.2298	2
United States . . . . .	Dollar	1.0000	1.0000	.9993	1½
Mexico . . . . .	Peso	.4985	.2775	.2771	4-5
Cuba . . . . .	Peso	1.0000	.9990	.9990	—
Guadeloupe . . . . .	Franc	.0392	.0658	.0467	—
Jamaica . . . . .	Pound	4.8666	5.0330	4.9262	—
Martinique . . . . .	Franc	.0392	.0658	.0467	—
Other British West Indies	Dollar	1.0138	1.0465	1.0244	—
Argentina . . . . .	Peso (Paper)	.4245	.3371	.3283	3½
		Unofficial	.2810	.2772	—
Brazil . . . . .	Milreis (Paper)	.1196	.0864	.0870	—
		Unofficial	.0591	.0585	—
British Guiana . . . . .	Dollar	1.0138	1.0465	1.0244	—
Chile . . . . .	Peso	.1217	.0517	.0517	4½
		Unofficial	.0417	.0417	—
Colombia . . . . .	Peso	.9733	.5572	.5550	4
Peru . . . . .	Sol	.2800	.2500	.2498	6
Venezuela . . . . .	Bolivar	.1930	.2500	.2498	—
Uruguay . . . . .	Peso	1.0342	.7979	.7978	—
South Africa . . . . .	Pound	4.8666	5.0167	4.9112	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.1400	5.0362	—
China (Shanghai) . . . . .	Dollar	.....	.2980	.2929	—
Hongkong . . . . .	Dollar	.....	.3120	.3047	—
India . . . . .	Ruppee	.3650	.3801	.3717	3
Japan . . . . .	Yen	.4985	.2929	.2870	3.29
Java . . . . .	Guilder	.4020	.6775	.5278	—
Siam . . . . .	Baht (Tical)	.4424	.4635	.4472	—
Straits Settlements . . . . .	Dollar	.5678	.5907	.5773	—
Australia . . . . .	Pound	4.8666	4.0184	3.9337	—
New Zealand . . . . .	Pound	4.8666	4.0508	3.9650	2½

\* Unofficial: .1976

The Dominion Bureau of Statistics has supplied the following note:—

During the week ended October 5, sterling continued downward at a more gradual rate to \$4.9169, for a loss of nearly 3 cents. A market for the French franc has been established in the last few days at approximately 4.66 cents, within the limits fixed for a new parity. On October 5, the Italian Cabinet decided that the lira would be devalued by 40.93 per cent, which corresponds almost exactly to the adjustment made in the United States dollar in January, 1934. Poland, Austria, and Hungary have issued statements recently that no action would be taken to change the value of their currencies, but the Czechoslovakian Government contemplates further devaluation of between 10.6 per cent and 16 per cent.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Kitchener, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Maple Syrup.....	658	Brussels, Belgium.....	Purchase.
Canned Fruits and Vegetables...	659	Gibraltar.....	Agency.
Barley for Malting.....	660	Tientsin, China.....	Purchase.
<b>Miscellaneous—</b>			
Paints and Varnishes.....	661	Ciudad Trujillo, Domini- can Republic.	Agency.
Aluminium Cooking Utensils....	662	Singapore, Straits Settle- ments.	Agency.

### CERTIFICATES OF ORIGIN FOR BRITISH PREFERENCES

Canadian exporters are reminded of the importance of supplying correct certificates of origin for goods entitled to preferential tariff treatment in Empire countries. The regulations to be observed vary enough to preclude use of uniform documentation for the different British markets. As regards the principal market, the United Kingdom, goods regarded as growth or produce require 100 per cent Empire content; optical goods and parts require 75 per cent; a selected list of manufactured goods (see F.T.D. Leaflet No. 95) require 50 per cent; for other manufactured goods 25 per cent Empire content suffices. A small number of ingredients must qualify independently for preference. Each "article" is subject to the preference test separately, so that when machinery, etc., is shipped to the United Kingdom knocked-down each separate assembly or part must qualify in itself to be entitled to preference. Notice 27A of the London Custom House, issued in March, 1935, prescribes appropriate forms as follows: D, 119 (Sale), for growth or produce; E, 120 (Sale), for manufactured goods; F, 121 (Sale), for manufactured tobaccos and sugars; FF, 122 (Sale), a supporting certificate for ingredients.

### PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

#### From Montreal

*To Liverpool.*—Duchess of York, Oct. 16; Duchess of Atholl, Oct. 23; Duchess of Bedford, Oct. 30; Duchess of Richmond, Nov. 6—all Canadian Pacific; Andania, Oct. 23; Antonia, Nov. 6—both Cunard-White Star Line.

*To London.*—Beaverhill, Oct. 16; Beaverford, Oct. 23; Beaverbrae, Oct. 30; Beaverville, Nov. 6—all Canadian Pacific; Aurania, Oct. 16; Ausonia, Oct. 23; Alaunia, Oct. 30; Ascania, Nov. 6—all Cunard-White Star Line.

*To Manchester.*—Manchester Regiment, Oct. 15; Manchester Citizen, Oct. 22; Manchester Port, Oct. 29; Manchester Producer, Nov. 5; Manchester Commerce, Nov. 12—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Airthria, Oct. 16; Dakotian, Nov. 4—both Cunard-Donaldson and Dominion Lines.

*To Southampton.*—Montrose, Canadian Pacific, Oct. 31.

*To Cardiff, Bristol and Swansea.*—Boston City, Oct. 26; New York City, Nov. 12—both Bristol City Line.

*To Glasgow.*—Athenia, Oct. 16; Sulairia, Oct. 23; Letitia, Oct. 30; Delilian, Nov. 6—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnross (calls at Dundee), Oct. 22; Cairnesk, Nov. 5—both Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kelso, Ellerman's Wilson Line, Nov. 3.

*To Dublin and Belfast.*—Kenbane Head (cargo accepted for Londonderry and Cork), Head Line, Oct. 28.

*To Antwerp.*—Brant County, Oct. 13; Alaska, Oct. 30—both County Line; Beaverhill, Oct. 16; Beaverbrae, Oct. 30; Montrose, Oct. 31—all Canadian Pacific.

*To Havre.*—Brant County, Oct. 13; Alaska, Oct. 30—both County Line.

*To Rotterdam.*—Hada County, Oct. 18; Columbia, Nov. 3—both County Line.

*To Hamburg.*—Frankenwald (calls at Bremen), Hamburg-America Line, Oct. 30; Beaverville, Canadian Pacific, Nov. 6.

*To Copenhagen, Gothenburg and Baltic Ports.*—Nanking, Swedish-America-Mexico Line, Oct. 27.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Nordhavet, Gardiaz Line, Oct. 17.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Lena, Capo Line, Oct. 20.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Belle Isle, Newfoundland-Canada SS. Co., Oct. 25.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Cornwallis (calls at Guadeloupe and Martinique if sufficient cargo offered), Canadian National, Oct. 15.

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Lady Somers (does not call at Hamilton or Nassau), Canadian National, Oct. 14.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Maravi, Ocean Dominion SS. Corp., Oct. 26.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Port Alma, Montreal Australia New Zealand Line, Oct. 30.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Tekoa, Montreal Australia New Zealand Line, Oct. 21.

*To Manila, Hongkong, Shanghai, Yokohama and Dairen.*—City of Kimberley, Canada Far East Line, Oct. 30; Myrmidon (does not call at Yokohama or Dairen), Blue Funnel Line, Nov. 14.

*To Freetown (Sierra Leone), Walvis Bay, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.*—Calumet, Oct. 25; Kepwickhall (does not call at Sierra Leone, Walvis Bay, Lourenco Marques or Beira), Nov. 5—both Elder Dempster Lines Ltd.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Hankow, Oct. 12; City of Tokio, Oct. 28—both Ellerman & Bucknall SS. Co.

*To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—A steamer, Java-New York Line, October.

*To Santos and Buenos Aires.*—Velox (calls at Rio de Janeiro), International Freighting Line, Nov. 10.

### From Quebec

*To Southampton.*—Empress of Britain, Canadian Pacific, Oct. 24 and Nov. 7.

### From Saint John

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, Canadian National, Oct. 14.

*To Kingston and Jamaican Outports.*—A steamer, United Fruit Line, Oct. 23.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—A steamer, American and Indian Line, October.

### From Halifax

*To Liverpool.*—Manchester Brigade, Oct. 23; Manchester Exporter, Nov. 10—both Manchester Line; Nova Scotia, Oct. 27; Newfoundland, Nov. 14—both Furness Line.

*To London and Hamburg.*—Liberty, Oct. 15; City of Flint, Oct. 29—both American Hampton Roads (call at Hull, Leith and Dundee).

*To Manchester.*—Manchester Regiment, Oct. 18; Manchester Citizen, Oct. 25; Manchester Port, Nov. 1—all Manchester Line.

*To Cardiff, Bristol and Swansea.*—Boston City, Oct. 29; New York City, Nov. 16—both Bristol City Line.

*To Aberdeen and Hull.*—Gitano, Ellerman's Wilson Line, Oct. 12.

*To Newcastle and Leith.*—Cairnlen, Oct. 12; Cairnross (calls at Dundee), Oct. 26; Cairnesk, Nov. 9—all Cairn-Thomson Line.

*To Copenhagen and Baltic Ports.*—Pilsudski, Oct. 19; Batory, Nov. 6—both Gdynia-America Line (call at Gdynia).

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Amherst, Oct. 12; Fort Townsend, Oct. 19—both Furness-Red Cross Line; Kongshaug, Newfoundland-Canada SS. Ltd., Oct. 19; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Oct. 21; Nova Scotia (does not call at St. Pierre), Furness Line, Oct. 27.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, Canadian National, Oct. 22.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Oct. 15; Maravi, Oct. 31—both Ocean Dominion Line.

*To Santiago (Cuba) and Kingston (Jamaica).*—Ciss, Pickford & Black Ltd., Oct. 21.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Cornwallis (calls at Guadeloupe and Martinique if sufficient cargo offered), Canadian National, Oct. 19.

*To Kingston (Jamaica) and Belize (British Honduras).*—Cavelier, Canadian National, Oct. 12.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Javanese Prince, Oct. 24; Silverpine, Nov. 1; Silvercypress, Nov. 7; Siamese Prince, Nov. 21—all Silver-Prince Line.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hiye Maru, Oct. 15; Heian Maru, Oct. 31; Hikawa Maru, Nov. 18—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Canada (calls Honolulu), Oct. 17; Empress of Russia (calls Nagasaki), Oct. 21; Empress of Japan (calls Honolulu), Nov. 14; Empress of Asia (calls Nagasaki), Nov. 27—all Canadian Pacific; Ixion, Oct. 25; Talthybius, Nov. 22—both Blue Funnel Line (call at Miike but not at Manila).

*To Shanghai.*—Dunelmia, Ocean Shipping Co., late October.

*To Tsingtao and Dairen.*—Harpasa, Ocean Shipping Co., early November.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Tosari, Oct. 31; Silveray, Nov. 30—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Aorangi, Nov. 4; Niagara, Dec. 2—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Coast, Oct. 15; Golden Bear Nov. 15—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Waiotapu, Oct. 17; Limerick, Nov. 20—both Canadian-Australasian Line.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Tolken, Empire Shipping Co., Nov. 12.

*To Sydney, Melbourne and Adelaide.*—Temple, October; Uganda, November; Wearpool, November—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Lochmonar (calls at Glasgow), Oct. 17; Dinteldyk, Oct. 31; Drechtdyk (calls at Glasgow), Nov. 14; Nebraska, Nov. 28—all Holland-America Line.

*To London, Liverpool and Cardiff.*—King City, Reardon Smith Line, Oct. 14.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., October.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—San Francisco, Oct. 13; San Jose, Oct. 26—both Empire Shipping Co.

*To Scandinavian Ports.*—Nordstjernan, Oct. 25; Annie Johnson, Nov. 9; Argentina, Nov. 19—all Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Cellina, Empire Shipping Co., Nov. 15.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., October.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Siantar, Nov. 5; Silverpalm, Dec. 5—both Silver-Java Pacific Line.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Evanger, Empire Shipping Co., Oct. 27.

### From New Westminster

*To London and Liverpool.*—India (calls at Rotterdam, Hull, Gothenburg and Copenhagen but not at Liverpool), B. L. Johnson Walton Co., Oct. 12; King City (calls at Cardiff), Reardon Smith Line Ltd., Oct. 12; Granville (calls at Hull and Oslo), Anglo-Canadian Shipping Co., Oct. 13; Lochmonar, Oct. 18; Dinteldyk, Oct. 31; Drechtdyk, Nov. 15; Nictheroy, Nov. 29; Damsterdyk, Dec. 12—all Royal Mail Lines (call at Glasgow and Rotterdam); Tacoma Star, Oct. 20; Fresno Star, Nov. 10; Gaelic Star, Nov. 25; Ionic Star, Dec. 7—all American Mail Line (call at Glasgow, Rotterdam and Newcastle); Selma City (calls at Avonmouth), B. W. Greer & Son Ltd., Oct. 21; Moveria, Oct. 25; Parthenia, Nov. 15; Corrientes, Nov. 28; Gracia, Dec. 12—all Balfour Guthrie & Co. (call at Glasgow); Pacific Reliance (calls at Glasgow and Manchester), Furness Line Ltd., Oct. 23; John Baake (calls at Glasgow, Manchester and Belfast but not at London), Canada Shipping Co., Nov. 8.

*To Oriental Ports.*—Ixion, Dodwell & Co., Oct. 18.

*To Auckland, Wellington, Melbourne and Sydney.*—Waiotapu, Canadian-Australasian Line, Oct. 15.

*To Sydney, Australia.*—Anglo Australian, Anglo-Canadian Shipping Co., Oct. 25.

*To South African Ports.*—Siantar, Dingwall Cotts & Co., Nov. 15.

*To Manila and Iloilo.*—Silver Ray, late November; Hopecrest, late December—both Dingwall Cotts Co.

**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

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### Egypt

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### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

### Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

### Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

### India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

### Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

# CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

## Japan

*Tokyo*: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

*Kobe*: R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

## Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

## Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

## New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

## Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

## Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

## Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

## South Africa

*Cape Town*: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

*Johannesburg*: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

## United Kingdom

*London*: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London*: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London*: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London*: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilison.*

*Liverpool*: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol*: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow*: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

## United States

*New York City*: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

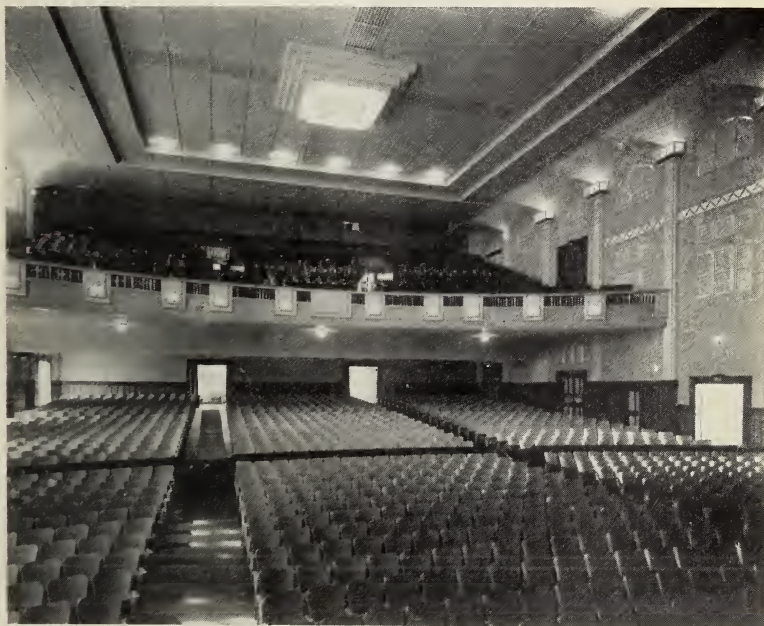
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# COMMERCIAL INTELLIGENCE JOURNAL

Vol. LV

Ottawa, October 17, 1936

No. 1707



Globe Theatre, Port-of-Spain, Trinidad, finished with Canadian Wallboard and equipped with Canadian Theatre Seats.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER



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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LV

Ottawa, October 17, 1936

No. 1707

## TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in Canada in the interest of Canadian trade with their respective territories: Mr. G. B. Johnson, Glasgow; Mr. Frederick Palmer, Bristol (whose territory includes the West of England, South Wales and South Midlands); Mr. Hercule Barré, Paris (whose territory includes the French colonies in North Africa); Mr. L. M. Cosgrave, Melbourne; and Mr. R. P. Bower, who was Acting Trade Commissioner at Batavia, Java.

Their itineraries are as follows:—

### Mr. Johnson

Saskatoon .. . . .	Oct. 19	Brantford, Simcoe. . . .	Nov. 21
Regina .. . . .	Oct. 20	St. Catharines. . . .	Nov. 23
Winnipeg .. . . .	Oct. 21 and 22	Niagara Falls, Fort Erie.	Nov. 24
Ottawa and district ..	Oct. 26 to 29	London, Woodstock ..	Nov. 25 and 26
Belleville and district ..	Oct. 30 and 31	Windsor and district..	Nov. 27 and 28
Toronto and district..	Nov. 2 to 18	Stratford and district ..	Nov. 30 and Dec. 1
Hamilton and district ..	Nov. 19 and 20		

### Mr. Palmer

Montreal. . . . .	Oct. 19 to 29	Vancouver, New West-	
Waterloo .. . . .	Oct. 30	minster .. . . .	Nov. 11 to 18
Granby .. . . .	Oct. 31	Victoria and district..	Nov. 19 and 20
Ottawa .. . . .	Nov. 2	Edmonton .. . . .	Nov. 23
Winnipeg .. . . .	Nov. 4 and 5	Saskatoon .. . . .	Nov. 24
Regina .. . . .	Nov. 7	Winnipeg .. . . .	Nov. 25
Calgary .. . . .	Nov. 9	Ottawa .. . . .	Nov. 27
		Fredericton .. . . .	Nov. 30

### Mr. Barré

Three Rivers .. . . .	Oct. 19	Quebec .. . . .	Oct. 22 and 23
Ottawa .. . . .	Oct. 20 and 21		

### Mr. Cosgrave

Vancouver .. . . .	Oct. 19 to Nov. 3
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### Mr. Bower

Toronto and district..	Oct. 19 to 24	London .. . . .	Nov. 2
Hamilton, Winona. . .	Oct. 26 and 27	Windsor and district. .	Nov. 3
Brantford. . . . .	Oct. 27	Winnipeg .. . . .	Nov. 5 to 7
Thorold, St. Catharines.	Oct. 28	Calgary .. . . .	Nov. 12
Kitchener .. . . .	Oct. 29	Kelowna, Vernon. . .	Nov. 14
Galt, Preston, Hespeler.	Oct. 29	Vancouver. . . . .	Nov. 16 to 28
Guelph .. . . .	Oct. 30	Victoria. . . . .	Dec. 1
Stratford .. . . .	Oct. 31		

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Winnipeg, Edmonton, Vancouver and Victoria, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## PRODUCTION AND EXPORT OF ARGENTINE BEEF

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, September 14, 1936.—The Argentine export trade in beef is based on high and uniform quality and low costs of production attributable to selective breeding and favourable climatic and soil conditions in the main stock-raising area.

Argentina claims to produce the best average quality of beef in the world on the basis of production on a large scale. However true this may be, more than 1,000,000 choice steers of uniform quality are selected each year—1,148,354 in 1934—to be slaughtered for the chilled meat trade to the United Kingdom from the 6,000,000 cattle of all classes slaughtered annually here, drawn from the aggregate cattle population of the country, which exceeds 30,000,000 head and of which 70 per cent are classified as being from purebred stock on the male side at least of the Shorthorn, Hereford, or Aberdeen-Angus breeds.

The Argentine herds have reached their present high average quality through many years of selective breeding based on the importation of the best stock bulls available from England, which now permits the Argentine stock raiser to offer a finished steer which must weigh, according to the packers' standards, at 2 to 2½ years, according to seasonal pasture conditions, from 1,000 to 1,100 pounds, taken direct from pasture in any month of the year without having been finished on any supplementary grain ration.

### CONDITIONS OF PRODUCTION

All the best cattle and the greater part of the entire live-stock population of Argentina are raised within the area which comprises the best cultivable area in the country. This compact area, scarcely larger than the province of Saskatchewan, is a flat plain and, apart from minor differences in rainfall and soil composition, is equally suited to stock raising or the production of cereal crops. However, since cereals are not required as feedstuffs for live stock, the industries are carried on entirely independent of each other but in the same districts and throughout the entire area. Consequently the long-term trend in production is from live stock to grain or the reverse according to the trends in the export demand for meat or cereals.

### A LARGE-SCALE INDUSTRY

Live-stock raising is a large-scale industry in Argentina. The land suitable for cultivation is almost entirely in the hands of a comparatively few land-owners. The large estates that are devoted to grain growing are subdivided and leased to tenant farmers, of which there are more than 90,000, accounting for the greater part of the aggregate grain production of Argentina. On the other hand, the equally large estates that specialize in cattle or/and sheep raising are operated as single units by the landlord himself or more frequently his manager.

### CLASSIFICATION OF GRAZING LAND

This grazing land in the cultivable area of Argentina may be classified according to districts into land suited to the cultivation of alfalfa and land which produces only natural grass. Argentina has normally 14,000,000 acres in alfalfa, and the greater part of this alfalfa acreage is in the central to western section of the flat plains directly between the best corn- and wheat-producing districts. It is on the large estates or estancias in this alfalfa-growing district that the greater number of the steers selected by the packers for the chilled meat trade are finished.

Formerly, when meat exports were much higher than in recent years, breeders in this district produced a part of their cattle requirements themselves and purchased the remainder as yearlings from other districts where only natural grass was available for grazing. With the decline in recent years in the export demand for chilled meat, the breeders in the alfalfa district can now supply a large part of the demand for chiller steers from their own herds raised under favourable conditions. The transference of cattle for finishing on alfalfa continues on a large scale, but a smaller proportion than formerly of the chiller steers for export come from these sources and the average quality of the chillers available has been raised to a corresponding degree.

### CHILLER STEERS

In 1934 there were 6,002,377 cattle of all classes slaughtered in Argentina for domestic consumption and for export. On the basis of numbers, 30 per cent were slaughtered for export, but exports accounted for 45 per cent of the aggregate production on the basis of value. The foreign-owned meat-packing plants in Argentina practically control the export trade in meats of all kinds here, and their plants handled 2,739,112 head of cattle in 1934, of which 1,794,279 were slaughtered for export and 934,833 for domestic consumption. Further, the packers purchased 1,634,969 cattle in 1934 direct from the producers at their estancias, of which 1,148,354 were chiller steers, 13,580 destined for frozen meat, 79,421 for canned meats, and 393,614 for the domestic trade. The balance of their requirements were purchased in the local stockyards. Consequently 42 per cent of all the cattle handled by these packers were choice steers suitable for the chilled meat trade.

### COMPETITION AMONG BREEDERS

Since these large packing houses control the export trade in chilled beef, they are in a position to set the standard requirements for a chiller steer, which in turn reflect the requirements of the British market since there is no other outlet for them abroad. Further, the declining export demand has tended to raise this standard and to increase the competition among Argentine producers for the supply of suitable steers to meet the requirements of this trade. The competition among breeders has reached the point where only steers from the best-bred herds of strictly uniform quality and from the best grazing districts can hope to qualify in this premium market. Consequently there is an ever-increasing interest on the part of the breeders in acquiring the best-bred stock bulls, as has been shown this year in the high prices paid at the annual stock show.

### CHILLER STANDARD

The standard for a chiller is a steer from two to two and a half years according to seasonal variations in pasture conditions weighing 1,000 to 1,100 pounds, of good quality, which will dress preferably 60 to 62 per cent at the plant. The standard varies slightly with supply and demand, but in recent years this has been entirely a buyer's market. The Argentine owner of uniformly well-bred stocks in the alfalfa district can meet this requirement without feeding any supplementary grain ration and at any month of the year.

### METHOD OF GRAZING

The usual practice is to divide the grazing land of the estancia into sections and keep moving the young stock to improved pasture, beginning frequently with natural grass, until they are on the best alfalfa for the last four to six

months for finishing. In many cases a forage crop may be sown as rye or oats, which can be used during the final stage as an alternative or change from alfalfa. If stock has been purchased from other districts, the actual finishing period is usually six months, but generally in the best herds it is for the most part only a question of waiting until the steer reaches the desired weight. The average large estancia in the alfalfa belt can be stocked on the basis of one head of cattle per 1.4 to 2.5 acres.

#### METHOD OF PURCHASE

The packers send their buyer to the producer's estancia, if on their approved list, when notified that a lot of chiller steers are ready, since nearly all chillers are purchased before leaving the producer's property. Many individual breeders can supply upwards of 4,000 select steers from their herds each year. However, if the demand happens to be slack, as has frequently happened in recent years, the steers go over weight and must be sacrificed in the domestic market.

#### CHILLED VERSUS FROZEN MEAT

Argentina has never exported live cattle except a small trade with neighbouring countries. The large American and English packing houses established their own plants in Argentina, and in 1910 exports of frozen beef to the United Kingdom and Europe had reached a total of 253,707 metric tons. In 1918 this trade had grown to 495,614 tons, but fell off with the ensuing depression to a low of 389,758 tons in 1921.

#### TREND FROM FROZEN TO CHILLED MEAT

During this earlier period the trade both to the United Kingdom and Europe was in frozen beef. From 1918-19 the trend has been from frozen to chilled meat, until the British market now consumes only the chilled product. In 1923-24 there was a temporary renewal in the frozen meat trade to Continental Europe, which combined with a steady and relatively greater increase in shipments of the chilled product to the United Kingdom brought aggregate Argentine meat exports to an all-time high of 732,577 tons in 1924.

#### DECLINE IN ARGENTINE BEEF EXPORTS

The consumption of frozen meat in Europe, however, began to decline again in 1925. It fell sharply in 1928, and since then has been of relatively little importance except for occasional isolated contracts arranged by the Argentine Government with particular countries as Germany, France, and Italy. This left the United Kingdom as practically the sole outlet for Argentine beef, but even there consumption began to decline early in 1929. Argentine exports of chilled meat to the United Kingdom fell from 552,755 tons in 1927, which was the peak year, to 395,104 tons in 1930. There was a further decrease in 1931, but shipments have remained at this level during the past four years, exports amounting to 348,305 tons in 1935. Consequently, Argentine beef exports are now scarcely more than 50 per cent of their former highest level attained in 1927, and whereas animal products comprised 44.6 per cent of all Argentine exports ten years ago, last year the proportion had fallen to one-third, having in the meantime been displaced by grain.

#### TRENDS IN MEAT EXPORTS

The following table will indicate the main trends in meat exports from Argentina since 1910 and show the relative importance of the British market to the Argentine live-stock industry at the present time:—

*Argentine Exports of Chilled and Frozen Beef*

	Chilled		Frozen		Total		Grand Total
	U.K.	Others	U.K. Figures in Metric Tons	Others	U.K.	Others	
1910 .. ..	8,440	....	243,717	1,550	252,157	1,550	253,707
1911 .. ..	15,036	60	285,953	11,785	300,989	11,845	312,834
1912 .. ..	25,231	....	303,099	14,521	328,330	14,521	342,851
1916 .. ..	16,153	....	342,245	69,302	358,398	69,302	421,323
1917 .. ..	38,595	400	245,005	110,837	283,600	111,237	394,837
1918 .. ..	1,545	....	276,246	217,823	277,791	217,823	495,614
1921 .. ..	147,967	419	212,990	28,382	360,957	28,801	389,758
1924 .. ..	363,717	487	146,833	221,540	510,550	222,027	732,577
1927 .. ..	463,239	3,430	89,516	146,904	552,755	150,334	703,089
1930 .. ..	344,539	986	50,565	48,183	395,104	49,169	444,273
1933 .. ..	349,874	172	14,358	17,191	364,232	17,363	381,595
1934 .. ..	349,408	236	8,331	23,253	357,739	23,489	381,228
1935 .. ..	348,305	226	9,309	21,344	357,614	21,570	379,184

## ARGENTINE CATTLE PRICES

Argentina has been fortunate in that the country was not left with much larger stocks of cattle in recent years on account of the drop of nearly 50 per cent in beef exports between 1927 and 1935. This may be attributed to the fact that meat shipments were declining as early as 1927-28, so that some adjustment in supplies had already been made before the severe drop in prices during 1931-32, when higher-quality stock were being sold as canners and in the outlying districts cattle were slaughtered and left in the fields.

During 1934 the average price paid for all steers destined for chilling and export in this form was the equivalent of 3.70 cents (Canadian) per pound live-weight at the packing plant. The average inland freight for these cattle is around \$2.50 per head. The average price for cattle for freezing was 2.51 cents and for canners 2.19 cents in 1934. The canners are for the most part ordinary stock from the "tick"-infested districts in the north. The price for chillers this year has been up to 4.25 cents, or an average chiller weighing 1,100 pounds will now bring the producer approximately \$46.75 less the freight as compared with \$38.20 two years ago.

## DISTANCE FROM FINISHING ZONES TO PACKING PLANTS

The average distance from the alfalfa zones where the export steers are finished to the packing plants which are located at seaboard—Buenos Aires and La Plata—is from 200 to 250 miles direct by rail. In fact the packers probably consider this distance too short for proper shrinkage, which is of course normally high on stock finished as here on alfalfa or a forage crop, but the stock is paid for on the basis of the weight at the plant without feed or watering from the time of loading at the country rail point.

## GOVERNMENT ASSISTANCE TO PRODUCERS

## NATIONAL MEAT BOARD

In line with efforts made to assist the grain producers by the establishment of minimum prices, the Argentine Government established a National Meat Board in 1933, representative of the Government and the various groups interested in the meat trade, with wide powers extending to the construction of a packing plant. This body had cost the Government 3,000,000 pesos to August, 1935. The following year the National Meat Board was authorized to impose a tax of 1 per cent on all cattle sales.

Early in 1935 the Meat Board organized the National Corporation of Meat Producers. The shareholders of this new organization are the cattle breeders themselves, and they become shareholders by virtue of their contribution in respect of the 1 per cent sales tax paid, but only in proportion and up to 80 per

cent of the tax. The remaining 20 per cent of the tax is to cover management expenses. The administration is in the hands of fifteen directors elected by the breeder shareholders.

#### WORK OF BREEDERS' ORGANIZATION

This breeders' organization has been most active since its first inception in gathering and disseminating market information and to this end the chairman has recently been in the United Kingdom. It has the large revolving fund at its disposal which is being used in making propaganda towards increasing consumption both in the domestic and export markets, and to bid against the packers in the local auction market, particularly for choice stock in order to ensure a premium and to lessen the spread between producers' and consumers' prices.

At the moment it is offering producers a premium of 1 per cent per pound for baby beef stock. It is claimed that one lot of baby beef was sold by a breeder recently at eighteen months averaging 990 pounds. However, critics contend that this requires a supplementary grain ration which the small premium does not nearly cover. The live stock that is purchased in this way is slaughtered under contract with one of the large packers and exported by the organization. The Argentine Government has therefore been instrumental in the establishment of a form of co-operative breeders' organization for the purpose of protecting and furthering the interests of the live-stock industry. Otherwise direct Government assistance has been largely confined to the subsidizing of a few isolated export contracts to Continental Europe.

#### CURRENT POSITION

The Argentine cattle breeder has concentrated on producing high-quality beef cattle to suit the demands of the British market. The Continental European market which took the poorer-grade cattle as frozen meat has practically disappeared and canned meats are a relatively small factor. The British demand too began to decline as early as 1928 and had reached the lowest point in 1932. The following year, under a treaty signed between Argentina and the United Kingdom, Argentine beef was placed on a quota basis which effectively prevented during the course of the agreement any increase in shipments from the level then prevailing. This treaty expires during the present year and the Argentine breeder is now faced with additional difficulties through the present proposed duty on her meat entering the United Kingdom market of  $\frac{3}{4}$ d. per pound.

#### PROBLEM OF NEW EXPORT MARKETS

The problem of the Argentine is now largely one of finding new export markets, but the mere fact that Argentina produces high-quality meat places it beyond the reach, from the point of view of cost, of any potential consuming countries other than the United Kingdom, where wage levels are relatively high. The fondest hopes of the Argentine breeders for the future are therefore centred on the possibility that one day their meat will be admitted to the United States market.

The possible effect of a still further restriction in the export demand for Argentine beef might be studied in relation to the reaction it may have on the acreage sown here to cereal crops. Stock-raising in Argentina is a large-scale industry in which substantial capital is essential. Most of the large landowners have their properties heavily mortgaged already. Their land now in grass and alfalfa in many cases lies alongside similar estates already subdivided and leased to tenants producing grain. There are always tenants available who have no capital but are prepared to rent and cultivate the land on a share basis, as is the general custom here.

If it were a question of sub-marginal grazing land being transferred from cattle to grain, it would be of small concern, but, as is natural, the high-grade cattle for export are raised on the best grazing land, and it is this land which will be available for grain if a continued decline in export demand makes cattle raising unprofitable to an increasing number of owners because the domestic market will not pay the high premium now being obtained for the cattle going to the United Kingdom market.

Consequently the prosperity of the Argentine stock raiser must inevitably bear some direct relationship to the area that will be available and will be used in the future for cultivation.

## BUILDING EXHIBITION, LONDON

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, October 6, 1936.—The Building Exhibition, which occurs every second year in London, was open at Olympia from September 16 to 30 inclusive. There was an attractive Canadian stand made up of a representative display of Canadian woods grouped under an effective 38-foot hammer-beam roof truss of Douglas fir. All the more important Canadian woods were shown in panels, planks, and plywood, while the whole was set off by flooring in sections of maple, birch, and edge-grain Douglas fir. Space was taken by the Timber Commissioner for Eastern Canada, who devoted it to house design and panelling of silky wood (birch) and knotty pine.

The Building Exhibition is a focal point for lumber merchants, builders, and architects, and also the general public, large numbers of whom visited the Canadian stand. There were a good number of inquiries of substantial proportions, but it is definitely of interest that the greater part of the visitors were interested in obtaining additional information to assist them in using Canadian woods and to enable them to obtain supplies. It is with satisfaction that report can be made of the fact that Canadian woods are more and more regarded as familiar friends. Douglas fir, known more commonly as Columbian or British Columbian pine, is now regarded as a standard wood; Western red cedar is becoming increasingly popular; and Western hemlock is finding a good place as a general utility wood. Western red cedar shingles, or wood tiles as they are called in England, are used increasingly; many architects are convinced of their value, and many private persons planning homes are definitely interested. It is significant that three English firms featured Canadian shingles in their stands. Three other firms gave prominence to Western red cedar as well as Douglas fir doors. The showing for flooring was effective; maple is the standard of high-grade flooring and birch is increasingly in demand; edge-grain Douglas fir is appreciated more and more. Architects and builders value the improved grading and marketing methods, and ask only that standards be continuously maintained and improved and that stocks be readily available.

A number of distinguished visitors commented favourably on the Canadian stand. His Majesty King Edward VIII was pleased with the display and expressed his keen interest in the development and marketing of Canadian woods. The Right Honourable Sir Percy Vincent, Lord Mayor of London, with his entourage, and accompanied by Sir Austen Chamberlain, spent some time examining the display. The general publicity was excellent and the detailed interest of users was gratifying.

## WEST OF ENGLAND CANNED GOODS MARKET

L. H. AUSMAN, ACTING TRADE COMMISSIONER

Bristol, September 22, 1936.—The disturbed political conditions on the Continent have to a certain extent affected the market in the West of England for canned fruits and canned tomatoes. Normally Spain and Italy are important sources of these goods, and with direct shipments to Bristol Channel ports have been able to secure a comparatively large share of the business, particularly as regards tomatoes.

As a result of the conflict in Spain, however, supplies have been very uncertain, and for a time boats were unable to load at some Spanish ports. Fairly regular shipments have been coming forward from Cartagena, but only a few days ago have firm offers been received from Valencia.

### SPANISH AND ITALIAN RESTRICTIONS

The Spanish Government has authorized committees to be set up in the various parts of the country under their control for the purpose of regulating industry and trade in these areas. Permits are required for the exportation of all agricultural products, and these are issued by the local committee, subject to a tax of 10 per cent ad valorem based on the value of the goods to be exported. In most cases this tax is passed on to the buyers abroad. There was a certain amount of forward business done before the outbreak of trouble necessitated the imposition of a tax, and in many cases it is known that buyers in this country have agreed to an increase in price sufficient to cover the shipper for this additional outlay.

At the present time, under the Anglo-Spanish clearing agreement, no funds are actually being sent to Spain. Payments made by importers in England are being held in London and earmarked for the individual or firm to whose account they have been paid. At the moment it is impossible for the clearing house to be certain that their correspondents in Spain are in a position to deal with all those to whom credits may be due.

In Italy the situation is slightly less involved, but business is very much restricted, due to the fact that the British Government refuses to make any arrangements for payments to Italy apart from those operating under the Anglo-Italian clearing agreement. Italian firms are in many cases, however, under the necessity of insisting on confirmed credit in Italy before shipment is made. Until a mutually satisfactory arrangement is arrived at, these restrictions will place a severe handicap on trade between the two countries.

### TOMATOES

Canadian canned tomatoes are at the moment finding comparatively little outlet in the West of England, and the price ranges between 4s. 3d. and 4s. 9d. per dozen for 2½'s. There have been few arrivals from Spain and Italy during the past month. Spanish shippers are now preparing the new pack, however, and are receiving export licences. Quotations to-day by cable for first available shipment are as follows: No. 3 tins 4s. 6d., half-kilos 2s. 3½d., quarter-kilos 1s. 3¼d., c.i.f. United Kingdom ports, landing charges and duty of 10 per cent extra. Sales of old-pack 3's held in this country are being made from 5s. 6d. to 6s., while half-kilos are bringing 2s. 10½d. to 3s. duty paid. New pack Italian 3's are being offered at 5s. to 5s. 6d., and Sicilian at 4s. 6d. to 5s.

### PEACHES

Current quotations on Canadian peaches are not being made, but it is understood that the price at which a few odd lots are being offered is close to 8s. per

dozen. Although the superior flavour of Canadian peaches is admitted by the importers, the consuming public are not prepared to pay a price which is much higher than is quoted for those from other sources. Californian choice are being offered at 6s. 5d., and standard at 6s., c.i.f. United Kingdom ports. Australian peaches are finding a market at 6s. 1d. for choice and at 6s. 4½d. for standard quality.

PEARS

The demand for pears in this country is confined chiefly to the Bartlett variety. From California, choice quality is being offered at 6s. 10d.; standard is bringing 6s. 5d. Australian pears are firm, and the price remains at a level around 8s. 3d. for choice and 7s. 6d. for standard. Canadian Keiffers are quoted at 6s. 5d. for standards, but little business is being done.

APRICOTS

Californian apricots are being offered at the following prices for shipment when ready: choice 6s. 2d, standard 5s. 6½d., seconds 5s. 1d., all c.i.f. main ports.

GALLON APPLES

There has been a sustained demand for gallon apples, but due to the very large English apple crop this year the requirements from overseas are likely to be reduced as the season advances. The present price for the new pack is 16s. per dozen c.i.f., although earlier in the season business was done at 15s. and 15s. 6d. Old-pack apples on spot have been offered at 15s. 6d. to 17s. 6d. according to quality. Owing to the abundance of the English crop the market would have been lower had it not been for the stiffening influence of the short crop in the United States, particularly in the Oregon-Washington area.

DRIED FRUITS

The following notes on the market for certain dried fruits may be of interest to some Canadian packers:—

A fairly large business is done in dried peaches, pears, and apricots. The chief sources of supply are the United States and South Africa, while dried apricots are also obtained from Greece. The prices per cwt., c.i.f. United Kingdom ports, together with duties applicable, are shown in the following table:—

	Choice	Extra	Fancy	Extra Fancy	Foreign Cwt.	Duty Empire
Peaches . . . . .	42s. 0d.	43s. 3d.	44s. 3d.	..	10s. 6d.	Free
Pears . . . . .	42s. 0d.	44s. 3d.	47s. 9d.	51s.	10s. 6d.	Free
Apricots . . . . .	63s. 3d.	68s. 9d.	74s. 6d.	79s.	7s. 0d.	Free

The fruit is usually packed in 50- and 25-pound, or 12½-kilo, boxes, the smaller sizes being generally preferred.

Dried or evaporated apples find a ready market in the West of England, particularly apple rings, although there is also a demand for quarters and wholes. Current American offers are for choice quality 48s. and for extra choice 50s. 3d. per cwt. c.i.f. These prices are for new-crop fruit for September-October shipment.

Canadian firms having any of these dried fruits to offer should refer to the Trade Inquiries published in this issue of the *Commercial Intelligence Journal* (page 755).

## HOME-GROWN SEED WHEAT IN THE IRISH FREE STATE

Mr. James Cormack, Canadian Trade Commissioner in Dublin, writes that the Department of Agriculture of the Irish Free State has issued a notice stating that unusually high prices are being quoted for imported seed wheat of winter varieties, and pointing out that upwards of half the area devoted to wheat last season was planted with home-grown seed and that the resultant crops were fully as satisfactory as those grown from imported seed. Growers who are in a position to do so are advised to retain some of their own spring wheat for seed or to purchase it in due course from a reliable source, and where any doubt exists as to the germinating capacity of home-grown wheat to send a sample to the Department's Seed Testing Station to be tested for germination.

## SOUTH AFRICAN SUGAR INDUSTRY

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Cape Town, September 4, 1936.—There are approximately 600 sugar planters and 19 sugar mills in the Union of South Africa, situated chiefly in the province of Natal, with a capital investment of \$30,000,000, which includes crops, land, and plant.

### PRODUCTION AND PRICES

This year's sugar crop is estimated at about 7 per cent below normal. The production of the mills for the 1935-36 season is placed at 420,500 tons of 2,000 pounds, in comparison with a production of 358,735 tons last season.

The average price realized for sugar during the past three years was £19 10s. per ton, which makes the value of the sugar production, on the basis of 1934-35 figures, approximately £7,000,000, and shows the importance of this industry to the Union.

The returns for export cargo sugar at Durban in 1927-28 were £12 18s. 6d., while the returns for No. 1 refined sugar in the domestic market were £22 11s. 4d. These prices have fallen steadily, and the returns in the domestic market for No. 1 refined 1934-35 season were placed at £19 10s. per ton. The returns from export cargo sugar have fallen accordingly, and if it were not for the preference in the United Kingdom and Canada, which may be taken to average approximately £3 15s. per ton, the Union producers could not compete.

### DISPOSAL OF SURPLUS BY EXPORT

It is the export of the surplus product that has presented one of the greatest difficulties with which the sugar industry has had to contend. Owing to high protection, the sugar industry has its most remunerative market in the Union, but as approximately half the production has to be exported, there has been constant trouble among mill owners, through each endeavouring to sell as much locally as possible, and export as little as possible at the lower export price.

### "FAHEY CONFERENCE AGREEMENT"

In 1924-25 there was a record world production of sugar, which resulted in falling prices. The Union's product also reached big figures and South Africa was compelled to export 70,000 tons at reduced values. There was also the possibility in the same year of considerable importation of cheap sugar. This threat brought planters and millers together in an appeal to the Government for assistance to overcome the industry's difficulties. In 1926 a conference was held, which

resulted in the "Fahey Conference Agreement." This agreement was conditioned upon the endorsement of all planters and millers who were prepared to honestly carry out the terms of the agreement. Actually only 16 European planters out of 600 refused their assent, and the Government, considering the response satisfactory, imposed a suspended duty of 3s. 6d. per 100 pounds upon imported sugar, which had the effect of checking imports.

During the first years of the agreement planters received high prices for their cane. Since then, however, friction again sprang up between planters and millers, especially during the 1928-29 season. Meanwhile the increased duty, as was to be expected, resulted in increased production. Imports in 1928-29, however, increased, and naturally the higher the imports the more South African sugar had to be exported.

#### INCREASES IN DUTY

The high imports of 1928-29, due to dumping of sugar, resulted in a further appeal to the Government, and in 1930 the sugar import duty was increased to 12s. 6d. per 100 pounds, and later was still further increased to the almost prohibitive figure of 16s. per 100 pounds on imported granulated sugar. At the same time the maximum retail price was fixed of 3½d. per pound for No. 1 refined sugar. The imports of loaf and cube sugar at this time amounted to approximately 500 tons per annum, and as the Union was equipped to meet this demand, the duty on this type of sugar was increased from 6s. to 12s. 6d. per 100 pounds.

It was only natural that, with a protected market and production unrestricted, the latter soon began to increase. In 1927-28 the sugar output was 267,000 tons; in 1930-31, 393,000 tons; in 1931-32 it dropped to 326,000 tons, increasing in 1933-34 to 391,000 tons, and with an estimated output for 1935-36 of an all-time record of 420,500 tons. The amount of sugar exported has not kept up with the amount of sugar produced.

It was soon evident that with planters endeavouring to maintain their incomes by increased plantings or increased yields, without any increase in exports, the industry was rapidly approaching a state of affairs similar to that which existed prior to the 1926 agreement.

#### THE 1936 AGREEMENT

This year the Government has again come to the assistance of the industry. Although production has been increasing, high domestic prices have been maintained in order to enable the export of the surplus. Higher production, however, has reduced the mills' overhead and has enabled them to obtain a higher return in the Union's market, but until recently nothing had been done to increase local consumption. The Government, as the result of this year's conference with the industry, has now agreed to limit sugar production to 470,000 tons per annum, which figure has been accepted by the industry. All producers are under compulsion to participate in the obligations of the industry with regard to export. The industry is also to provide sugar of a grade to sell in the Union at 2½d. per pound. The sugar industry has assured the Government that this low-priced sugar would be of good quality and would not be below 98 per cent purity. The price of No. 1 refined sugar is to remain at 3½d. per pound, and the present customs duty of 16s. per ton is also to be maintained.

If the 1936 sugar agreement works as successfully for the next five years, and serves as good a purpose as the 1926 Fahey Agreement did, then the South African sugar industry, with its high domestic price made possible behind a high protection wall, can look ahead to a period of orderly marketing and equitable participation by all mills in the export of sugar, and above all to a definite figure to which production is to be restricted, which more than anything else should have the effect of stabilizing the industry.

## WOOL PRODUCTION AND SALES IN AUSTRALIA

B. MILLIN, COMMERCIAL AGENT

Sydney, September 10, 1936.—Wool, of which Australia produces the finest in the world, is the Commonwealth's most important primary industry, and is worth approximately £45,000,000 per annum (the average for the five years ended June, 1934). Australia provides more than a quarter of the world's requirements, although its flocks represent less than one-sixth of the world's sheep. Australia's wool clip represents one-half of the world's production of fine-quality merino wool. As a result of skilful breeding, three generations of sheep-breeders succeeded in doubling the average weight of fleece per sheep, which, including lambs, is now  $8\frac{1}{2}$  pounds compared with 4 pounds in 1876. Australia has sold for the past two seasons at local auctions a total in excess of 3,000,000 bales each year.

Sydney holds a record as a wool-selling centre with a turnover in excess of a million bales for the last eleven selling seasons, one that is unapproached by any other in the world.

### OPENING OF AUSTRALIAN WOOL SALES, 1936-37

The opening wool sales at the Royal Exchange, Sydney, on August 31, were highly satisfactory.

As was expected, the Japanese section of the trade were present in full strength, and valued all catalogues, but no bids were made.

Generally speaking, the market opened up to 10 per cent dearer than the closing rates of the past season in June last, thus confirming the anticipations based on sales of passed-in and fellmongered wools during the quiet period.

Compared with the opening sales of the previous season, values were about 5 per cent higher for good wools, generally unchanged for average sorts, and about 5 per cent cheaper for faulty lines.

The demand, as was expected, was mainly from the Yorkshire section with good support from Germany, and there was a fair inquiry on French and Belgian account. Italy also operated to some extent, and local manufacturers secured a good quota. Conditions were almost exactly the reverse of the opening of the previous season, when the Japanese dominated the sales and Yorkshire was comparatively quiet.

At the opening sales, when there was an auction clearance of over 87 per cent of the offering, the passed-in wools were mainly those upon which owners had placed reserves above the market.

The average price for all wool sold last week was £17 2s. 7d. per bale, or 12·8 pence per pound, as compared with £16 18s. 1d. per bale during the first week's opening sales last season.

### PROGRESS OF SHEEPBREEDING IN AUSTRALIA AND NEW ZEALAND

At the beginning of this century the sheep population of Australia and New Zealand was about 90 millions, but at the time prevailing drought conditions were decimating the flocks and continued to do so until 1902. The Commonwealth sheep totals dropped from 73 millions in 1899 to 53 millions in 1902, and the Commonwealth and New Zealand figures fell from 92 millions to 74 millions. These represent the low water mark of modern times. As more favourable seasons came along there was a gradual recovery, and although the figures show inevitable fluctuations, the trend has gradually been upward, and in recent years the grand total has been between 135 and 141 millions, or

practically 50 millions more than at the beginning of the century. The following gives the figures in selected years since 1910:—

Year	Commonwealth	New Zealand	Total
1900 . . . . .	70,602,995	19,355,195	89,950,190
1910 . . . . .	92,241,226	23,792,947	116,034,173
1920 . . . . .	76,823,350	23,919,970	100,743,320
1925 . . . . .	96,343,098	24,904,993	121,248,091
1930 . . . . .	110,366,302	29,792,516	140,158,818
1935 . . . . .	111,699,085	30,039,133	141,738,218

## CANNED AND PRESERVED FRUIT AND VEGETABLES: MARKET IN JAMAICA

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, September 30, 1936.—Canned and preserved fruit and vegetables are consumed only by the middle and upper classes of Jamaica, who are numerically small in comparison with the island's total population, now about 1,200,000. This condition may be considered permanent. The masses of the people are mostly engaged in agriculture of one form or another, their earning power is small judged by the standards of Northern countries, and besides there is an abundant and varied local production of fresh fruit and vegetables sold at low prices and available more or less all the year round to the poorer people. The better-off classes indeed are also considerable consumers of these locally grown fruits and vegetables. The imported articles therefore may be deemed luxuries. This trade appears, however, to be slowly increasing.

### EXTENT OF DEMAND

Canned fruits are not separately classified in the Jamaican import statistics but are included in the category "jams, jellies, and preserved fruits," of which imports in the calendar year 1935, the latest available period of record, totalled 348,735 pounds valued c.i.f. at £8,992. Of these imports the United Kingdom supplied 143,859 pounds (£3,754), the United States 138,499 pounds (£3,667), Canada 32,799 pounds (£692), Hongkong 11,952 pounds (£232), China 6,514 pounds (£174), and a considerable number of countries the relatively small remainder. The imports from the United Kingdom were mainly jams and jellies, an old and well-established trade; those from the United States and Canada consisted chiefly of canned fruit such as pears, peaches, and plums; those from Hongkong and China were to a great extent specialties purchased by the local Chinese community—e.g., bamboo shoots.

Of "vegetables, dried, canned, or preserved," imports in 1935 totalled 103,292 pounds valued c.i.f. at £1,776, of which Canada supplied 58,834 pounds (£630), the United States 24,642 pounds (£706), the United Kingdom 13,797 pounds (£263), Belgium 3,784 pounds (£97), and Italy 1,264 pounds (£16). Dried fruit—mainly prunes, currants, raisins, dates, and figs—were imported during the same year in the total quantity of 721,047 pounds (£8,290), of which the United States shipped 557,279 pounds (£5,495), Greece 137,379 pounds (£2,198), the United Kingdom 7,627 pounds (£216), Iraq 6,480 pounds (£86), and a number of other countries the inconsiderable remainder. Canada had a very small share of this trade—i.e., 3,375 pounds valued at £28.

### VARIETIES IN USE

The principal kinds of canned fruit used in Jamaica are pears, peaches, apricots, and cherries; but grapes, plums, greengages, strawberries, pineapple, and mixed fruit for salad are also on the market. Total annual imports of all

kinds of canned fruit are estimated at 4,000 cases. Canada's position in the trade has improved during late years.

Standard grades are mainly used, and the principal sizes sold are No. 2½ cans, containing approximately 28 ounces net; No. 1 cans, with net contents of about 16 ounces; and an 8-ounce can. The No. 2 size, of between 19 and 20 ounces net, is also on the market, but is not in much demand. The fruit is in syrup of medium consistency corresponding to the standard California grade. Tins are attractively labelled and are put up in wire-bound wooden cases containing seventy-two of the 8-ounce size, forty-eight No. 1's, and twenty-four No. 2½'s. Retail prices vary, but 9d. for a No. 1 tin, 1s. to 1s. 3d. for a No. 2½, and 6d. for an 8-ounce tin may be taken as typical.

Canada is now Jamaica's largest supplier of canned peas, which account for most of the imports of canned vegetables. Early June peas in No. 2 tins sell fairly well; there used to be a moderate trade in French and Belgian products of the "petits-pois" style, but this has declined during late years. The No. 1 size has been almost entirely supplanted by a 10½-ounce can, retailing at 6d. Baked beans, with pork flavouring, are fairly popular.

Canned tomatoes used to come chiefly from California; Canada is now the principal country of supply. These come in tins of 10½ ounces net; also in No. 1, No. 1 tall, Nos. 2, 2½, and 3 sizes. Retail prices range from 6d. to 1s. 6d.

Canned corn is also on the market, coming mainly from Canada; the best sellers are the No. 1 and No. 2 sizes.

Small quantities of canned white asparagus are imported from California in square tins of 16 ounces (No. 1) and 31 ounces (No. 2), the former size generally containing "tips." Canadian green asparagus has lately been coming in.

*Jams and Jellies.*—Great Britain is almost the sole supplier of these goods. Strawberry, raspberry, plum, greengage, and other varieties, including orange marmalade, are sold. Containers are tins or glass jars of 1-pound net, packed forty-eight to the case. Small quantities of fancy jellies come from Canada and the United States.

*Sauces, Catsups, and Pickles.*—This is a trade of moderate size, held chiefly by England and the United States; Canadian catsups are, however, on the market. England supplies sauces of well-known brands. Tomato, mushroom, and walnut catsups, mayonnaise, and similar condiments come mostly from the United States. These articles are put up in bottles of 10 and 14 ounces which retail at from 1s. to 1s. 6d. each; forty-eight bottles go to the case. The largest seller under this head is tomato catsup. Fair quantities of sauces and very hot pickles are locally produced and sold, and some exporting is done. The principal ingredients are fiery tropical pepper, vinegar, onions, and various kinds of locally grown vegetables. Some of the production takes place in private homes, but there are a few factories, one of which makes a sauce resembling a celebrated English brand. In order to protect this local industry, the Jamaican customs duties on imported sauce only (not pickles or condiments), formerly 10 per cent ad valorem under the British preferential and 15 per cent under the general tariff, were raised in December, 1927, to 20 per cent and 30 per cent respectively.

In the calendar year 1935 total imports of pickles were valued at £559, of which the United Kingdom supplied £390, the United States £110, and Canada £57. Imports of sauces in the same period totalled £1,778—United Kingdom, £892; China, £250; Canada, £247; Hongkong, £225; United States, £158. Before the advent of the local manufacturing industry imports under these heads were considerably larger. Tomato catsup, mayonnaise, and the like are not, however, made in Jamaica.

*Dehydrated and Evaporated Fruit and Vegetables.*—Quite a fair business. Dried prunes and raisins from California and dried currants from Greece are the chief items, which are sold loose by grocers. Small quantities of evaporated apples are consumed. Various kinds of fruit juices for flavouring ice cream and soft drinks are imported in bottles containing about 2 quarts, from England, Canada, and the United States, and this business has increased during the past few years.

#### LOCAL PRODUCTION

Besides sauce, pickles, and fruit jellies of various kinds, as noted above, canned grapefruit is produced to a moderate extent in Jamaica, for local consumption but mainly for export.

#### PURE FOOD LAWS

The requirements under this head are much the same as those prevailing in the United Kingdom, Canada, and other large countries. The label on the outside of the container must truly indicate the nature of the contents, which must be fit for human consumption. Municipal food inspectors are authorized to take samples from time to time of foodstuffs sold in groceries; to examine the samples, or to have them analysed by the Government chemist; and to seize and destroy, without compensation to the owner, any foodstuffs found to be injurious to health. The inspectors are active, but seizures of canned goods are rare.

#### CUSTOMS TARIFF

The Jamaican import duties on canned, dried, and preserved fruit, jams and jellies are, ad valorem, 15 per cent under the British preferential and 30 per cent under the general tariff. On sauces the rates are respectively 20 per cent and 30 per cent; on pickles, unspecified condiments, and dried, canned, or preserved vegetables, respective ad valorem rates of 15 per cent and 20 per cent apply. In addition to these duties, a tax of 1s. is levied upon every package, irrespective of country of origin.

#### DISTRIBUTION

These goods are sold through commission agents, of whom most are large merchant houses carrying stocks. Jamaican wholesalers and retailers have for some time past been accustomed to make their purchases, especially of canned fruit and vegetables, on prices quoted by the canners at or shortly after the opening of the canning season. Local agents are cabled quotations on the new pack and book orders from the trade for its requirements over a considerable period, usually a year. The opening prices are guaranteed by the canning factory and of course apply to shipments to be made many months ahead. This system suits all parties. During the past few years Canadian canned fruit and vegetables have established themselves in the Jamaican market.

#### ADVERTISING

This is done to a considerable extent in local newspapers and moving pictures, and also by means of display signs on walls, in motor buses, tramcars, and other suitable locations. There is some direct-to-consumer advertising through the mails.

#### CHIEF BUYERS

A list of the chief Jamaican buyers of canned and preserved fruit and vegetables is on file with the Department of Trade and Commerce and may be had on application.

## TRADE OF BRITISH HONDURAS IN 1935

F. W. FRASER, CANADIAN TRADE COMMISSIONER

### I. Imports

Kingston, Jamaica, Sept. 22, 1936.—The total c.i.f. value of imports into British Honduras during the calendar year 1935 was \$2,676,795, as compared with \$1,912,375 in 1934, \$1,687,112 in 1933, and \$2,301,838 in 1932. The values for 1933, 1932, and preceding years are f.o.b. country of origin, the basis of computation prior to 1934. The colony's currency is based on the United States gold dollar.

#### PRINCIPAL INCREASES AND DECREASES

During the year under review, as compared with 1934, there was a substantial increase in the volume of imports, both from Empire and foreign sources. The principal increases recorded were: Australia, butter; British India, rice; Canada, canvas boots and shoes, motor cars and trucks; Hongkong, wearing apparel; Argentina, meats preserved; Belgium, railway rolling stock; Chile, beans and peas; Cuba, sugar machinery; Holland, milk, condensed and unsweetened, alcohol; Japan, wearing apparel; Mexico, mahogany and cedar logs, chicle; Sweden, marine machinery. In the case of Mexico the increases were in goods for re-exportation.

Countries from which imports decreased included: Czechoslovakia, boots and shoes; Guatemala, chicle, hides and skins.

In 1934 the value of Government imports was \$24,527, and in 1935, \$73,187, an increase of \$48,660. Aside from these imports there was an increase in the imports in 1935 from the United Kingdom of over 48 per cent in comparison with 1934.

The revenue from import duties in 1935 amounted to \$349,395, or \$54,891 more than the previous year.

#### NOTES ON THE IMPORTS

In 1935, as compared with 1934, imports of boots, shoes, and slippers showed a decrease in value, fewer leather boots and shoes having been purchased in the former than in the latter year. But imports of rubber-soled boots and shoes nearly doubled in 1935, and Canada again had first place in this trade, the Straits Settlements dropping out completely, and Hongkong taking second place. Increased tariff protection caused the percentage of imports of leather boots and shoes from Empire countries to rise considerably, the United Kingdom supplying the bulk, as she did in the case of cotton piece-goods, of which purchases from her rose from 600,000 yards in 1934 to over 1,000,000 yards in 1935. In wearing apparel, however, the United States and Japan held first and second places respectively during both years. Imports of canvas and rubber boots and shoes in 1935 totalled 4,378 dozen pairs (Canada, 2,660 dozen; Hongkong, 1,012 dozen; Czechoslovakia, 385 dozen).

Imports of flour were about 9,000 bags more in 1935 than in 1934. Total imports in the former year were 36,904 bags of 196 pounds, of which the United Kingdom supplied 24,394 bags, Canada 11,432 bags, and the United States 758 bags.

Gasolene declined slightly in 1935, the United States and Mexico continuing to be the principal suppliers.

There was also a slight decrease in imports of leaf tobacco. Of this article, the United States continued to be the sole supplier of the kind used for chewing, but in the variety used for cigarette manufacture Canada greatly improved her position during 1935, when total imports were 33,249 pounds, of which Canada supplied 18,021 pounds and the United States 15,208 pounds. In 1934 Canada supplied only 31 pounds of this material.

Imports of refined sugar during 1935 totalled 24,504 cwts. valued at \$50,249, of which the United Kingdom supplied 24,189 cwts. (\$49,473), Canada 307 cwts. (\$736), and the United States 8 cwts. (\$40). In 1934 imports of this commodity totalled 17,832 cwts. (\$36,365), of which the United Kingdom shipped 14,098 cwts. (\$27,884), Canada 3,727 cwts. (\$8,445), and the United States 7 cwts. (\$36). In 1933 imports were: total, 2,263,213 pounds (\$39,223)—Canada, 1,698,135 pounds (\$31,167); United Kingdom, 553,178 pounds (\$7,802); United States, 11,900 pounds (\$254). During the past three years the bulk of this fairly valuable trade has been transferred from Canada to the United Kingdom.

In dressed lumber, too, Canada has lost ground since 1933, when, of imports totalling 2,525,805 superficial feet, she supplied 520,625 feet, the remainder coming from the United States. Total imports in 1934 were 574,958 cubic feet, of which Canada shipped 87,405 cubic feet; the 1935 total was only 60,606 cubic feet, of which 972 came from the Dominion.

### DIRECTION OF TRADE

The following table shows the direction of the import trade of British Honduras during the past five years:—

From	1931	Per Cent	1932	Per Cent	1933	Per Cent	1934	Per Cent	1935	Per Cent
United States . . . . .	\$1,459,006	32.90	\$ 815,093	35.41	\$ 633,900	37.57	\$ 684,776	35.84	\$ 746,257	27.88
Canada . . . . .	1,289,767	29.08	704,543	30.61	326,433	19.35	200,610	10.52	263,719	9.85
United Kingdom . . . . .	745,024	16.80	424,339	18.43	418,511	24.81	466,733	24.44	731,396	27.32
Other Br. possessions . . . . .	61,495	1.38	42,146	1.83	48,578	2.88	49,675	2.62	135,370	5.14
Mexico . . . . .	357,599	8.06	92,297	4.01	78,978	4.67	284,344	14.81	528,529	19.74
Other countries . . . . .	522,467	11.78	223,420	9.71	180,712	10.72	226,237	11.77	271,524	10.07
Total . . . . .	\$4,435,358	100.00	\$2,301,838	100.00	\$1,687,112	100.00	\$1,912,375	100.00	\$2,676,795	100.00

### PRINCIPAL IMPORTS FROM CANADA

The principal items imported from Mexico were chicle gum and mahogany logs; and from Canada (in 1935) as follows: boots, shoes, and slippers, mainly rubber-soled, 2,665½ dozen pairs (\$15,683); butter, 121 cwts. (\$4,108); cement, 202 tons (\$3,060); cheese, 820 cwts. (\$13,648); fish, canned, 246 cwts. (\$3,038); flour, 11,432 bags of 196 pounds (\$54,596); hardware, \$3,748; hosiery, 1,083½ dozen pairs (\$4,261); barrelled pork, 891 cwts. (\$11,840); bacon and ham, 354 cwts. (\$8,811); barrelled beef, 540 cwts. (\$6,233); medicines and drugs, \$4,254; iron and steel nails, 33½ tons (\$3,636); sweetened condensed milk, 3,420 cwts. (\$38,691); unsweetened condensed milk, 393 cwts. (\$3,412); refined sugar, 307 cwts. (\$736); dressed lumber, 972 cubic feet (\$561).

The cessation of imports of whisky from Canada, for re-export, is the principal cause of the progressive decline in Canada's share of the custom of British Honduras as indicated in the above table. Neither in 1935 nor in 1934 was this article imported from the Dominion; imports in 1933 were valued at \$95,092, in 1932 at \$444,415, in 1931 at \$966,720, and in 1930 at \$841,596.

### IMPORTS BY CATEGORIES

Divided into the British Board of Trade categories, the import trade of British Honduras during the past five years appears as follows:—

	1931	1932	1933	1934	1935
Food, drink and tobacco . . . . .	\$2,417,152	\$1,179,924	\$ 713,735	\$ 646,351	\$ 826,411
Raw materials and articles mainly unmanufactured . . . . .	619,849	272,823	215,538	289,690	502,934
Articles wholly or mainly manufactured . . . . .	1,388,125	845,844	754,667	974,642	1,340,584
Miscellaneous* . . . . .	10,232	3,247	3,172	1,692	6,866
Total . . . . .	\$4,435,358	\$2,301,838	\$1,687,112	\$1,912,375	\$2,676,795

\* Included animals and birds not for food, and bullion and specie.

Important changes in the customs tariff were brought into effect by Ordinance No. 1 of 1935, "An ordinance to amend and consolidate the law relating to the customs and excise duties," which came into force on January 14, 1935. The general ad valorem basis adopted, except in the case of the majority of food-stuffs, was  $12\frac{1}{2}$  per cent and 25 per cent preferential and general rates respectively. In the case of foodstuffs remaining on an ad valorem basis, the majority remained at 10 per cent and 20 per cent. Another important alteration was the adoption of c.i.f. values for the collection of ad valorem duties instead of the f.o.b. basis formerly used.

## Details of Principal Imports

### Class I—Food, Drink, and Tobacco

*Biscuits: (a) Sweetened.*—Total, 21,393 lbs. (\$5,034): U.K., 15,696 lbs. (\$3,726); U.S., 5,931 lbs. (\$1,033); Canada, 543 lbs. (\$195); small remainder from Irish Free State.

*(b) Unsweetened.*—Total, 40,804 lbs. (\$6,306): U.S., 37,644 lbs. (\$5,837); Canada, 3,048 lbs. (\$462); small remainder from United Kingdom.

*Butter.*—Total, 581 cwt. (\$17,599): Australia, 373 cwt. (\$10,786); Canada, 121 cwt. (\$4,108); U.K., 32 cwt. (\$1,004); New Zealand, 29 cwt. (\$960). Butter substitutes were imported in the total quantity of 1,740 cwt. valued at \$19,394, chiefly from Holland.

*Cattle and Other Animal Foods: (a) Oats.*—Total, 637 cwt. (\$1,629): U.S., 328 cwt. (\$850); Canada, 309 cwt. (\$779).

*(b) Poultry Feed, Medicines, and Supplies.*—Total, \$2,764: Canada, \$2,345; U.S., \$374.

*Cheese.*—Total, 1,002 cwt. (\$17,705): Canada, 820 cwt. (\$13,648); Holland, 168 cwt. (\$3,680); U.S., 10 cwt. (\$252).

*Fish: (a) Dried and/or Salted, Smoked, or Pickled.*—Total, 191 cwt. (\$1,791): Norway, 115 cwt. (\$864); Canada, 42 cwt. (\$482); U.S., 13 cwt. (\$266).

*(b) Preserved in Tins or Bottles.*—Total, 776 cwt. (\$9,323): Canada, 246 cwt. (\$3,038); U.S., 243 cwt. (\$2,418); Japan, 127 cwt. (\$1,733); Norway, 100 cwt. (\$1,006).

*Fruit, Candied, Crystallized and Canned and Bottled.*—Total, 220 cwt. (\$3,000): U.S., 173 cwt. (\$2,125); Canada, 26 cwt. (\$328); U.K., 16 cwt. (\$466).

*Grain and Preparations Thereof (a) Wheat Flour.*—Total, 36,904 bags of 196 lbs. (\$153,450): U.K., 24,394 bags (\$103,003); Canada, 11,432 bags (\$54,596); U.S., 758 bags (\$4,420).

*(b) Beans and Peas in Sacks or Barrels.*—Total, 6,786 cwt. (\$25,393): Chile, 3,647 cwt. (\$13,096); U.S., 2,761 cwt. (\$10,781).

*Farinaceous Preparations.*—Total, 1,014 cwt. (\$9,710): U.S., 899 cwt. (\$8,108); U.K., 95 cwt. (\$1,382); Canada, 17 cwt. (\$154).

*Lard and Its Substitutes.*—Total, 3,506 cwt. (\$38,788): U.K., 2,614 cwt. (\$25,488); U.S., 745 cwt. (\$10,981); Canada, 138 cwt. (\$2,229); Holland, 9 cwt. (\$90).

*Meat: (a) Fresh, Chilled.*—Total, 31 cwt. (\$845): Canada, 30 cwt. (\$820); U.S., 1 cwt. (\$25).

*(b) Beef in Barrels, Salted.*—Total, 1,193 cwt. (\$13,004): Canada, 540 cwt. (\$6,233); U.K., 343 cwt. (\$3,639); Uruguay, 140 cwt. (\$1,331); Argentina, 130 cwt. (\$1,339); U.S., 38 cwt. (\$446).

*(c) Pork, Mess, in Barrels.*—Total, 729 cwt. (\$10,963): Canada, 433 cwt. (\$6,466); U.S., 296 cwt. (\$4,517).

*(d) Pork, Other, in Barrels.*—Total, 1,554 cwt. (\$18,939): U.S., 947 cwt. (\$11,854); Canada, 458 cwt. (\$5,394); Argentina, 86 cwt. (\$921).

*(e) Meat, Preserved in Tins or Bottles.*—Total, 1,265 cwt. (\$16,420): Argentina, 631 cwt. (\$5,712); U.S., 495 cwt. (\$7,859); Uruguay, 51 cwt. (\$601); Canada, 42 cwt. (\$1,153).

*(f) Smoked and Cured, chiefly Bacon and Ham.*—Total, 835 cwt. (\$19,929): U.S., 365 cwt. (\$8,599); Canada, 354 cwt. (\$8,811); Brazil, 58 cwt. (\$1,352); U.K., 49 cwt. (\$923).

*Milk, Preserved: (a) Unskimmed, Sweetened.*—Total, 9,966 cwt. (\$90,092): Holland, 4,546 cwt. (\$33,964); Canada, 3,420 cwt. (\$38,691); Denmark, 1,586 cwt. (\$14,210).

*(b) Unskimmed, Unsweetened.*—Total, 2,332 cwt. (\$19,879): Holland, 1,472 cwt. (\$12,314); Canada, 393 cwt. (\$3,412); Denmark, 240 cwt. (\$1,988); Norway, 171 cwt. (\$1,655).

*(c) Powdered.*—Total, 81 cwt. (\$3,196): Canada, 60 cwt. (\$2,184); U.S., 14 cwt. (\$807).

*Pickles, Sauces, and Condiments.*—Total, 582 cwt. (\$7,126): Italy, 334 cwt. (\$2,875); U.S., 134 cwt. (\$2,068); U.K., 42 cwt. (\$1,248); Canada, 18 cwt. (\$426).

*Provisions, Unenumerated.*—Total, \$22,962: U.S., \$15,464; U.K., \$4,699; Canada, \$2,403.

*Salt, Common.*—Total, 9,514 cwt. (\$8,129): U.S., 6,051 cwt. (\$4,652); U.K., 3,463 cwt. (\$3,477).

*Spices.*—Total, 195 cwt. (\$4,494): U.K., 86 cwt. (\$2,178); U.S., 74 cwt. (\$1,531).

*Spirits.*—Total, 44,040 gallons (\$69,729). These imports, none of which were supplied by Canada, consisting of alcohol, brandy, cordials and liqueurs, gin, rum, whisky, and some other kinds. The principal countries of origin were the United Kingdom and Holland.

*Sugar, Refined.*—Total, 24,504 cwt. (\$50,249): U.K., 24,189 cwt. (\$49,473); Canada, 307 cwt. (\$736); U.S., 8 cwt. (\$40).

*Tea*.—Total, 406 cwts. (\$19,738): U.K., 182 cwts. (\$8,389); Ceylon, 99 cwts. (\$4,944); Canada, 89 cwts. (\$4,406).

*Tobacco: (a) Black Leaf*.—Total, 45,372 lbs. (\$8,476): all from the United States.

*(b) Leaf, Other Kinds*.—Total, 33,249 lbs. (\$11,797): Canada, 18,021 lbs. (\$6,015); U.S., 15,208 lbs. (\$5,764); Jamaica, 20 lbs. (\$18). These imports were for the local manufacture of cigarettes.

*Vegetables, Fresh: (a) Onions*.—Total, 2,514 cwts. (\$6,085): Cyprus, 912 cwts. (\$2,222); Egypt, 728 cwts. (\$1,714); Canada, 693 cwts. (\$1,549); U.S., 105 cwts. (\$405).

*(b) Potatoes*.—Total, 2,730 cwts. (\$5,489): Canada, 1,332 cwts. (\$2,425); U.S., 947 cwts. (\$2,107); Holland, 343 cwts. (\$757); U.K., 108 cwts. (\$200).

*(c) Other Kinds*.—Total, 279 cwts. (\$1,522): U.S., 276 cwts. (\$1,515); small remainder from Canada.

*Vegetables, Preserved in Tins or Bottles*.—Total, 669 cwts. (\$5,789): U.S., 360 cwts. (\$2,730); Canada, 122 cwts. (\$920); Belgium, 66 cwts. (\$696); U.K., 51 cwts. (\$731); Spain, 50 cwts. (\$447).

## Class II—Raw Materials and Articles Mainly Unmanufactured

*Wood and Timber: (a) Dressed Lumber*.—Total, 60,606 cubic feet (\$30,812): U.S., 58,796 cubic feet (\$30,031); Canada, 972 cubic feet (\$561); U.K., 838 cubic feet (\$220).

*(b) Rough Lumber*.—Total, 16,464 cubic feet (\$7,913): from the United States.

## Class III—Articles Wholly or Mainly Manufactured

*Ammunition, All Kinds*.—Total, 581,970 rounds (\$12,463): U.K., 265,500 rounds (\$8,010); U.S., 180,470 rounds (\$3,696); Canada, 136,000 rounds (\$2,757). There were small imports of guns, revolvers, dynamite, and gunpowder.

*Apparel, Wearing*.—Total, \$55,301: U.S., \$19,854; Japan, \$15,131; U.K., \$8,343; Hongkong, \$6,614; Jamaica, \$2,762; Canada, \$2,325.

*Bags and Sacks, not Paper*.—Total, 113,075 in number (\$14,784): India, 64,900 (\$9,022); U.K., 34,075 (\$4,307); U.S., 14,100 (\$1,455). Gunny sacks are the chief item of this category.

*Bags, Trunks, and Valises*.—Total, 691 in number (\$1,344): Canada, 402 (\$898); U.K., 229 (\$373); Japan, 50 (\$58); U.S., 10 (\$15).

*Boots, Shoes, and Slippers: (a) Rubber, Balata, or Gutta-percha*.—Total, 74½ dozen pairs (\$1,058): Canada, 44 dozen pairs (\$596); U.K., 18½ dozen pairs (\$824); Czechoslovakia, 8½ dozen pairs (\$106); U.S., 3¼ dozen pairs (\$72).

*(b) Partly of Rubber, Balata, or Gutta-percha*.—Total, 4,303½ dozen pairs (\$22,563): Canada, 2,616 dozen pairs (\$14,988); Hongkong, 1,012 dozen pairs (\$5,169); Czechoslovakia, 376 dozen pairs (\$1,334); U.K., 113½ dozen pairs (\$521); Japan, 102 dozen pairs (\$268).

*Other Kinds*.—Total, 1,807 dozen pairs (\$25,665): U.K., 1,473 dozen pairs (\$20,466); Czechoslovakia, 145½ dozen pairs (\$1,702); Mexico, 92 dozen pairs (\$1,400); U.S., 77 dozen pairs (\$1,826).

*Brooms and Brushes*.—Total, 1,278 dozen (\$2,240): U.S., 573 dozen (\$984); Canada, 436 dozen (\$693); Belgium, 321 dozen (\$143); U.K., 89 dozen (\$325).

*Carriages, Carts, and Wagons: (a) Bicycles and Parts*.—Total, \$5,916: U.K., \$5,409; Japan, \$384; Germany, \$103. Motor cycles are not included in this heading. Imports of ordinary bicycles, included in the above figures, were 184 in number, valued at \$2,923, of which the United Kingdom supplied 161 valued at \$2,677; Japan, 22 (\$226); Mexico, 1 (\$20).

*(b) Mahogany Trucks and Parts*.—Total, \$39,140: U.S., \$20,143; Canada, \$997.

*(c) Motor Cars*.—Total, 17 in number (\$9,093): Canada, 9 (\$6,289); U.S., 6 (\$2,204); U.K., 2 (\$660).

*(d) Motor Trucks*.—Total, 12 in number (\$9,262): Canada, 9 (\$5,654); U.K., 3 (\$3,608).

*(e) Parts of Motor Cars and Motor Trucks*.—Total, \$4,083: U.S., \$3,216; U.K., \$689; Canada, \$178.

*(f) Railway Rolling Stock*.—Total, \$14,783: Belgium, \$9,968; U.S., \$3,071; U.K., \$1,804; Holland, \$600.

*(g) Tractors*.—Total, 30 in number (\$81,562): from the United States.

*(h) Tractor Parts*.—Total, \$17,946: U.S., \$17,120; Canada, \$464; U.K., \$362.

*(i) Tires and Tubes*.—Total, 1,116 in number (\$4,954): Canada, 941 (\$4,137); U.S., 153 (\$663); U.K., 22 (\$145).

*(j) Other Kinds of Carriages, etc., and Parts*.—Total, \$702: U.S., \$424; Canada, \$204; U.K., \$74.

*Cement*.—Total, 998 tons (\$11,864): U.K., 581 tons (\$6,893); Canada, 202 tons (\$3,060); U.S., 200 tons (\$1,696).

*Chinaware, Porcelain, Earthenware, and Pottery*.—Total, \$7,432: U.S., \$2,744; U.K., \$2,133; Germany, \$2,114; Japan, \$342.

*Church Vestments and Decorations*.—Total, \$2,011: U.S., \$1,397; U.K., \$314.

*Cordage, Rope, and Twine*.—Total, 627 cwts. (\$10,548): U.K., 372 cwts. (\$5,025); U.S., 113 cwts. (\$4,449); Philippines, 93 cwts. (\$710); small remainder from Canada and Mexico.

- Cutlery*.—Total, \$4,071: U.K., \$1,876; U.S., \$1,113; Germany, \$759; Canada, \$184.
- Electrical Apparatus: (a) Radio*.—Total, \$8,071: U.S., \$7,996.
- (b) Other Kinds*.—Total, \$8,531: U.S., \$6,229; U.K., \$1,829.
- Films, Cinematograph*.—Total, 1,014,430 feet (\$13,444): U.S., 810,776 feet (\$9,701); U.K., 203,654 feet (\$3,743).
- Haberdashery and Millinery*.—Total, \$30,460: U.K., \$16,665; U.S., \$8,417; Canada, \$1,540; Japan, \$1,532; Germany, \$1,009.
- Hardware: (a) Aluminium Ware*.—Total, \$512: U.K., \$339; U.S., \$120.
- (b) Enamelware*.—Total, \$5,417: Germany, \$2,030; U.K., \$1,876; U.S., \$1,083.
- (c) House, Office, Cabinet or Store Furniture of Iron or Other Metal*.—Total, \$6,759: U.S., \$3,793; U.K., \$1,630; Canada, \$1,090; Germany, \$215.
- (d) Typewriters and Adding Machines*.—Total, 47 in number (\$1,929): U.S., 37 (\$1,332); Canada, 8 (\$477).
- (e) Other Kinds*.—Total, \$27,561: U.S., \$18,024; U.K., \$6,360; Canada, \$2,181; Germany, \$444.
- Hats, Caps, and Bonnets*.—Total, 4,193 dozen (\$17,425): U.K., 1,515 dozen (\$7,707); U.S., 1,396 dozen (\$5,714); Italy, 262 dozen pairs (\$2,028).
- Hosiery: (a) Of Cotton*.—Total, 6,456 dozen pairs (\$7,891): Hongkong, 3,107 dozens (\$2,599); U.K., 2,655 dozens (\$3,694); Canada, 390 dozens (\$974); U.S., 254 dozens (\$503).
- (b) Of Silk and Artificial Silk*.—Total, 4,782 dozen pairs (\$10,515): U.K., 2,898 dozens (\$5,780); Hongkong, 960 dozens (\$473); Canada, 693 dozens (\$3,287); U.S., 150 dozens (\$570).
- Implements and Tools: (a) Agricultural*.—Total, \$10,932: U.S., \$5,617; U.K., \$4,773; Canada, \$446; Sweden, \$126.
- (b) Other Kinds*.—Total, \$16,065: U.S., \$8,751; U.K., \$4,445; Canada, \$2,353; Germany, \$337.
- Lamps and Lampware*.—Total, \$12,979: U.K., \$8,735; U.S., \$2,789; Germany, \$556; Canada, \$491.
- Machinery, including Accessories: (a) Agricultural*.—Total, 4 tons (\$2,613): U.S., 3 tons (\$1,866); U.K.,  $\frac{1}{2}$  ton (\$617); Jamaica,  $\frac{1}{2}$  ton (\$130).
- (b) Electric Lighting*.—Total, \$10,910: U.K., \$5,237; U.S., \$5,202; Japan, \$271; Canada, \$200.
- (c) Marine*.—Total, 41 tons (\$39,279): U.S., 9 $\frac{3}{4}$  tons (\$13,034); Sweden, 19 tons (\$12,942); Germany, 8 tons (\$6,318); U.K., 4 $\frac{1}{4}$  tons (\$6,823).
- (d) Sawmill*.—Total, 6 $\frac{1}{2}$  tons (\$2,767): U.S., 6 tons (\$2,520); Canada,  $\frac{1}{2}$  ton (\$215).
- (e) Sewing Machines and Parts*.—Total, 142 in number (\$2,543): U.S., 142 (\$2,452).
- Medicines and Drugs (chiefly Patent and Proprietary)*.—Total, \$43,476: U.S., \$26,470; U.K., \$10,442; Canada, \$4,245; Germany, \$1,331.
- Metals: (a) Barbed Wire, Hog Fencing, and Staples for same*.—Total, \$2,573: U.S., \$1,416; Canada, \$357; U.K., \$800.
- (b) Iron and Steel Bars and Rods*.—Total, 85 tons (\$5,042): U.S., 37 tons (\$3,642); U.K., 36 tons (\$612); Canada, 11 tons (\$788).
- (c) Iron and Steel Rails, Spikes, Rivets, Clinches, and Wire*.—Total, 61 tons (\$7,381): Canada, 33 tons (\$3,636); U.S., 13 tons (\$1,844); U.K., 10 tons, \$1,154).
- (c) Iron Roofing, Guttering and Down Pipes*.—Total, \$13,110: U.K., \$10,485; U.S., \$2,625.
- Oils*.—Imports of diesel, essential, kerosene, linseed, lubricating, and medicinal oils, and of gasolene, totalled \$136,018, of which the United States and Mexico were the largest suppliers. Canada's share of this trade was insignificant.
- Oilcloth and Linoleum*.—Total, \$3,328: U.S., \$1,129; Canada, \$1,786; U.K., \$299.
- Painters' Colours and Materials*.—Total, 1,843 cwts. (\$21,928): U.K., 1,425 cwts. (\$14,938); U.S., 305 cwts. (\$3,817); Holland, 95 cwts. (\$801); Canada, 14 cwts. (\$347). The greater portion of these imports were dry or in paste form, and the remainder ready-mixed. Imports of turpentine totalled 879 gallons (\$669), supplied by the United Kingdom and United States; and of varnish 601 gallons valued at \$841, of which 367 gallons (\$311) came from the United States, 151 gallons (\$386) from the United Kingdom, and 83 gallons (\$144) from Canada.
- Paper Manufactures: (a) Newsprint*.—Total, 207 cwts. (\$813): Germany, 73 cwts. (\$225); Denmark, 50 cwts. (\$195); Esthonia, 20 cwts. (\$136); Sweden, 43 cwts. (\$130); Holland, 42 cwts. (\$127).
- (b) Other Kinds, not including Stationery*.—Total, \$22,694: U.S., \$9,351; U.K., \$5,231; Canada, \$4,824; Denmark, \$1,313.
- Perfumery and Toilet Preparations*.—Total, \$17,823: U.S., \$10,538; U.K., \$2,580; Canada, \$1,153; Jamaica, \$1,136.
- Piece-goods: (a) Of Cotton*.—Total, 1,602,958 lineal yards (\$145,688): U.K., 1,067,255 yards (\$94,853); U.S., 454,522 yards (\$39,704); Japan, 61,085 yards (\$5,884); Hongkong, 11,840 yards (\$2,677); Canada, 6,738 yards (\$2,090).
- (b) Of Artificial Silk*.—Total, 104,024 lineal yards (\$14,050): Japan, 82,125 yards (\$9,117); U.K., 13,070 yards (\$2,531); U.S., 6,394 yards (\$1,505).
- (c) Of Wool*.—Total, 14,915 lineal yards (\$11,632): supplied mostly by the United Kingdom.

*Ships' Chandlery.*—Total, \$5,136: U.S., \$2,606; U.K., \$1,681; Canada, \$849.

*Soap: (a) Common.*—Total, 8,653 cwts. (\$37,089): U.K., 7,854 cwts. (\$32,657); U.S., 799 cwts. (\$4,432).

*(b) Perfumed and Medicated.*—Total, 376 cwts. (\$7,259): U.K., 262 cwts. (\$4,815); U.S., 92 cwts. (\$1,985); Canada, 20 cwts. (\$409).

*Stationery.*—Total, 10,280: U.K., \$5,094; U.S., \$3,413; Canada, \$1,203.

*Wire Gauze for Screening.*—Total, \$1,105: U.S., \$687; Canada, \$418.

*Wood and Timber, Manufactured: (a) Furniture and Cabinet Ware.*—Total, \$2,404: U.K., \$901; Canada, \$796; U.S., \$668.

*(b) Other Kinds.*—Total, \$12,174: U.S., \$10,391; U.K., \$1,256; Jamaica, \$289; Canada, \$126.

## II. Exports

Domestic exports in 1935 totalled \$929,097 in value (f.o.b. wharf) and other exports \$769,946, making a total of \$1,699,043, which was \$178,126 more than in 1934. Of the domestic exports in 1935, the United States took \$541,616 (58.29 per cent), the United Kingdom \$316,460 (34.06 per cent), and Canada \$50,450 (5.43 per cent). Domestic exports totalled \$878,460 in 1934 and \$434,110 in 1933; the increase is due to the revival of the mahogany industry, the products of which are the largest item of the domestic export trade (46.48 per cent in 1935).

During that year there were increases in shipments of coconuts and bananas, but decreases in those of chicle and rum. Bananas were exported in the total quantity of 356,056 bunches, and grapefruit in that of 15,450 cwts. Canada took from British Honduras during the year under review 159,831 pounds of chicle and 4,528 cwts. of grapefruit. Of chicle, mahogany, bananas, and coconuts the United States was the largest buyer; the United Kingdom took most of the grapefruit.

Shipping tonnage, both inwards and outwards, was somewhat less in 1935 than in 1934.

## BRITISH MALAYA MARKET FOR OVER-ISSUE NEWSPAPERS

B. C. BUTLER, ACTING TRADE COMMISSIONER

(All values in Canadian dollars)

Singapore, September 3, 1936.—Like all other parts of the Far East, there is a steady demand in British Malaya for over-run newspapers, which are used in the countless small shops for wrapping parcels. Imports into British Malaya at the present time average about 13,725 tons valued at over \$400,000 annually. Imports in the years 1933, 1934, and 1935 are tabled below:—

Countries of Origin	1933 Tons	1934 Tons	1935 Tons
United Kingdom . . . . .	10,858	13,673	13,518
Australia . . . . .	.....	14	.....
France . . . . .	.....	16	.....
United States . . . . .	15	25	198
Total tons.. . . .	10,873	13,729	13,717
Total value (Can.\$) . . . . .	\$350,000	\$440,000	\$407,000

## CHIEF PORTS OF ENTRY

Singapore is the main port of entry, and imports in 1935 totalled 7,272 tons. Imports into Penang were 4,970 tons, and into Port Swettenham, the port of the Federated Malay States, 1,473 tons. Singapore and Penang, especially the former, are important entrepôt centres, and of the totals imported in 1935, exports from these ports were 1,786 and 706 tons respectively. These exports are to Sumatra and the other nearby Dutch islands, Siam, and the British possessions in Borneo. It is worthy of mention that only negligible quantities are exported from British

Malaya to the Island of Java. For full details concerning the Netherlands Indies markets for this commodity, interested firms should consult a report which appeared in *Commercial Intelligence Journal* No. 1598 (September 15, 1934).

### CAUSES OF UNITED KINGDOM'S PREDOMINANCE

The above statistics show that the United Kingdom enjoys practically the whole of British Malaya's trade in over-issue newspapers. The reason that is given for this is that the newspapers of the United Kingdom publish very few coloured, magazine, or rotogravure sections and that therefore practically 100 per cent of the paper sold here can be used for wrapping. Coloured sheets are absolutely unwanted and their presence, even in a small percentage, lowers the value.

### PRICES, COMMISSIONS, ETC.

There are some seven large importers engaged in the trade and all business is done on a consignment basis. At the time of writing the selling price to the dealers of one brand which enjoys a slight premium is equivalent to Can.\$1.53 per picul (133 $\frac{1}{2}$  pounds). It is always difficult to understand why one brand or chop of a certain article commands a premium in these markets. It is usually because of prior introduction, supported by a good reputation, in the case of newspapers, for a low percentage of coloured sheets, satisfactory size, packing, and other details. The other brands sell at about \$1.48 per picul.

From this gross return must be deducted the importer's commission of usually, 5 per cent; the unloading and storage charges are also for the shipper's account. Usually the importers do not take the shipments into their own godowns, preferring to deliver to their dealers from the Harbour Board's warehouse. The charges and the importer's commission total about 18 cents per picul, leaving the net return, exclusive of ocean freight, about \$1.30 per picul or \$19.50 per ton of 2,000 pounds and \$21.84 per ton of 2,240 pounds.

Freight rates from Canada to Singapore will be one of the most important factors. Having ascertained the freight rates, it should be a comparatively easy matter for interested exporters to decide, on the basis of the above price information, whether they could compete or whether the business would be profitable.

There is no duty on over-issue newspapers into any part of British Malaya.

### PACKING

The standard packing is in bales of 5 cwt. (4.2 piculs or 560 pounds). Each bale measures 3 feet 2 inches by 2 feet 6 inches by 1 foot 6 inches, is wrapped in burlap, and bound with four heavy steel bands, each 1 $\frac{3}{16}$  inches wide and  $\frac{3}{16}$ -inch thick. The fastenings of these bands are arranged in such a way that the clips lie flat against the bale and do not tear the contents. There appears to be a requirement that the steel bands be painted a pale orange shade; at any rate this is the uniform colour used by all shippers. The burlap wrapping of each bale is stencilled with a distinctive brand, e.g., "Cat Brand" (a cat's head), "Sun Brand" (a representation of a rising sun), "Frog Brand," etc. The papers are folded just as they come from the press and are stacked three tiers to a bale.

While the above packing is the accepted standard, occasionally the bales are fastened by wire and wooden battens.

If Canadian suppliers can comply with the conditions as outlined herein, especially with regard to the absence of coloured sheets, if business on consignment is acceptable and competitive prices can be quoted, there would be an opening for Canadian over-issue newspapers. The Acting Trade Commissioner, Singapore, is in touch with the interested importers and is in a position to assist.

## DEVALUATION IN THE NETHERLANDS

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Rotterdam, October 3, 1936.—By virtue of a decree of September 26, which prohibited the exportation of gold, the Netherlands Government definitely abandoned its efforts to maintain the value of the guilder at its gold parity. Thus, almost exactly five years and one week after sterling was cut adrift from its metallic anchor, the guilder has followed suit and become a managed currency without fixed value. Even after the French devaluation program had become known, it was announced that the Dutch monetary unit would be maintained. A heavy loss of gold, coupled with the fall of the Swiss franc, made this impossible, however, and the subsequent depreciation of the guilder has been the final act in the liquidation of the so-called gold "bloc" countries.

In Holland, unlike the case in France and Switzerland, the currency has not been revalued at a definite lower level, but a stabilization fund of fl.300,000,000 has been formed, which will operate on the British model and control its external value. The exchanges were closed for one day following the gold export embargo, and with their reopening foreign rates showed an appreciation of about 20 per cent in comparison with a week ago. The dollar, which was formerly quoted at roughly fl.1.48, rose to approximately fl.1.80 in comparison with the old parity rate of nearly fl.2.50.

### DEVALUATION AND THE COST OF LIVING

Holland is an importing rather than an exporting country, and dependent on outside sources of supply for 65 per cent of its bread grain, all its wood and wood products, cotton, ores and metals, mineral oils, automobiles, and many other primary necessities. One of the soundest arguments advanced by the anti-devaluationist school of thought has been the increase in the already high cost of living which would be bound to accrue with the advent of a currency less valuable in terms of gold. This is already making itself felt. The Government could apply a partial antidote by abolishing or lowering the monopoly and other taxes which are levied on many agricultural products. While a few minor adjustments have been made, other and more drastic changes must take place if an increase in living costs equal to the depreciation of the currency is to be avoided.

The cost of wheat to Dutch millers has, for instance, increased by roughly 20 per cent and their requests that the monopoly tax of fl.2 per 100 kilos should be reduced in order to prevent an upward movement of bread prices has so far been refused. Such industries as shipping will be assisted by the depreciation, while exports will also receive some stimulation, although benefits will only be partial owing to quantitative and transfer restrictions in many foreign markets. On the other hand, Netherlands India, a seller of many raw products in the world markets, should be a beneficiary.

In Holland no immediate change is contemplated in the existing system of import restrictions, while the disadvantages inherent to too steep a rise in living costs will probably cause the stabilization fund to be used to maintain the guilder at a ratio well above that of the old gold parity.

### EFFECT ON EXCHANGES WITH CANADA

As far as Canadian trade with the Netherlands is concerned, all imports into this country have automatically become more expensive to the buyer, and where an elasticity of demand exists this will have a detrimental effect. Conversely, Dutch exports to Canada are now relatively cheaper in terms of Canadian dollars, which will assist towards a more balanced intercourse than now prevails.

## GERMAN TOY INDUSTRY

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(R.M.1 is approximately equal to Can.\$0.40)

Hamburg, September 24, 1936.—Germany has long been known as the world's leading manufacturer of toys. Prior to the war, it was estimated that this country produced half of the total world output of these goods and held three-quarters of the world trade in them. This predominance has since been lost, but the local industry remains an important one although, on account of competition and an unfavourable exchange position, it has come to depend rather on the home market than on foreign demand.

### HISTORY AND DEVELOPMENT

The German toy industry had its beginnings in the town of Nuremberg where, as long ago as the fourteenth century, toys made by the workers for their own children attracted the attention of visitors on account of their ingenuity and workmanship. The town of Fürth also acquired an early reputation as a producer of toys, while, with a general development in trade and particularly following the introduction of machine methods, the industry expanded and, according to types and materials used, is now located at various points throughout Southern Germany. Metal toys are still made in Nuremberg and Fürth, wooden toys in Thuringia, the Erzgebirge, and the hills of Bavaria, and mechanical toys in the city of Stuttgart.

The industry retains numerous of its original characteristics, much of the work being done in the home and apportioned among members of the family. Even in cases where machine methods may be used in production there persists a relationship between factories and home workers whereby hand-finishing operations, for example, are exchanged for various manufactured parts.

### THE INDUSTRY TO-DAY

It was estimated in 1907 that the German toy industry comprised 6,256 firms with 30,242 employees. By 1925 these figures had almost doubled, the number of firms being 11,151 and their employees totalling 58,251. From that year onward the industry has suffered heavily from reduced foreign demand, while the increased use of machinery has contributed also to reductions in plants and staff, the figures of firms and employees in 1933 being recorded as 5,809 and 21,192 respectively.

Dolls and various wooden toys are the principal products of over half of all toy-manufacturing concerns, while the numbers engaged in the production of paper, metal, and other types are comparatively small. In general the number of employees per firm, in the case of the two former branches of the industry, is not above three, whereas in the metal toy trade, for example, now dependent on machine methods, the average number of employees per establishment is over eleven.

Capital invested in the industry is small and the cost of materials unimportant. The principal expenditure is on labour. The industry, as well, is peculiar in its lack not only of centralization but of cohesion and organization. Apart from compliance with general requirements, wage and price agreements are practically unknown. Sales are made rather on the initiative of buying representatives of department stores and similar organizations, while export business, instead of being carried on directly, is usually handled by Hamburg agents.

In order to assist the industry and the workers formerly engaged in it, the German Government and various political organizations have recently let various large contracts for the manufacture of buttons, emblems, insignia, and similar articles to such units of the industry as have been in need of such help. Efforts

have also been made to educate unemployed craftsmen in the production of other goods suitable for home and foreign markets. Such measures are, however, of temporary value only, and it is to be assumed that, with the general decline of the industry, many of its former employees will be absorbed into other occupations.

GERMAN TOY EXPORTS

The values of German toy exports during the years 1928 and 1929 reached the unusually high totals of R.M.122,000,000 and R.M.121,000,000 respectively, these figures representing, at that time, an annual value of some \$30,000,000. By 1934 these exports had fallen to a value of R.M.27,800,000 or \$11,120,000 and, although a slight improvement was recorded during 1935, it is not anticipated that this will lead to any pronounced or permanent revival. There has undoubtedly been a substantial increase in world toy production, but much of this has been for home consumption in the principal countries of production, while the advent into the export field of Japan, France, and Czechoslovakia exercises severe limitations on opportunities which would otherwise be available to German exporters of these goods. It was estimated some years ago, in fact, that the value of total world trade in toys was only half as large, in comparison with figures of consumption, as that in pre-war times.

A statistical record of German exports of toys to principal markets during the years 1934 and 1935 is given herewith:—

*German Toy Exports, 1934 and 1935*

Country	1934	1935
Great Britain . . . . .	R.M. 7,418,000	R.M. 9,187,000
United States . . . . .	2,937,000	3,461,000
Netherlands . . . . .	2,658,000	2,124,000
Switzerland . . . . .	2,364,000	2,277,000
France . . . . .	1,550,000	1,907,000
Belgium . . . . .	1,426,000	1,508,000
Italy . . . . .	1,242,000	1,010,000
Argentina . . . . .	858,000	1,389,000
Other . . . . .	7,348,000	8,470,000
Total . . . . .	27,801,000	31,333,000

IMPORT OF GERMAN TOYS INTO CANADA

Canada has been a consistent buyer of substantial quantities of German toys. The trade, however, has shown declines during recent years, a total value of such imports from Germany during the fiscal year 1931 of \$511,175 having fallen during 1935 to \$237,226. This decline was in sympathy with total imports of toys and with the trade from the United Kingdom and the United States, although over the same period, imports from Japan showed considerable appreciation. It is to be expected that, except in the case of unusual obstacles, this business will persist, the variety and quality of the German products lending them a distinction unobtainable from countries where mass-production methods have been adopted.

FRENCH CEREAL ESTIMATES FOR 1936

J. P. MANION, ACTING COMMERCIAL ATTACHÉ

Paris, September 24, 1936.—Official estimates of cereal production in France are not published until after the new year, and therefore it is necessary to use unofficial sources to obtain any early indication of the total yield of the different crops.

The best estimate published is that of the *Bulletin des Halles*, a daily publication devoted to food and commodity market reports. This newspaper issues a questionnaire to a large cross-section of the farming community, and bases its estimate on the answers received.

## WHEAT

The wheat estimate of the *Bulletin des Halles* is higher than was at first thought likely. The total given is 67,615,950 quintals, which, taken at 60 pounds to the bushel—a high figure for French wheat—gives a crop of 248,925,000 bushels. The bad weather conditions of this year have sensibly reduced the quality, and it is certain that a considerable proportion of the crop will be unfit for human consumption.

Again, the carryover from last year had been almost reduced to normal by August 1, due to the Government's policy of subsidizing exports and denaturation for feed purposes. At any rate, the carryover was probably not more than 60,000,000 bushels, and since that much would have to be carried over at the end of the present crop year, there is every likelihood that France will be obliged to import up to 50,000,000 bushels during the present crop year, as normal demand approaches 300,000,000 bushels.

It must be remembered that, due to the rigorous import control in force in the last few years, French millers and bakers have become accustomed to a very small proportion of Canadian hard wheats in their mix, 10,000,000 to 15,000,000 bushels being the average quantity imported. The greater demand this year does not necessarily mean, therefore, an added demand for Canadian wheat, since most of the imports will be to replace the deficiency of average French wheat. On the other hand, if the quality of consumable wheat proves to be below the average, a greater proportion of hard wheats would probably be necessary to bring the flour mix up to its accustomed standard. In addition, it is not yet known under what restrictions or regulations the importation of wheat will be administered under the new wheat law.

## OTHER CEREALS

*Barley.*—The estimate of barley production is 10,671,250 quintals, of which 7,907,260 quintals are spring barley and 2,763,990 quintals are six-rowed winter barley. The total production, translated into bushels at 52 pounds per bushel, is therefore 45,147,000 bushels. France generally imports a small amount of malting barley, and this year total imports will probably increase slightly. Canada may benefit slightly from this increase under the guaranteed quota of 1 per cent of the total imports.

*Rye.*—Rye production is estimated at 6,914,230 quintals, which, at 58 pounds per bushel, is approximately 26,226,000 bushels.

*Oats.*—The production of oats has increased slightly this year, and with a continuously decreasing demand due to further mechanization of the army and a lesser number of farm animals, there will undoubtedly be some difficulty in disposing of the crop, which is estimated at 39,791,240 quintals, or approximately 290,000,000 bushels, at 30 pounds per bushel.

## TRADE OF PERU WITH CANADA IN 1935

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(Returns are in soles, gold; one sol equals 28 cents Canadian at par of exchange)

Lima, August 25, 1936.—As in 1934, Canada ranked fifth in total trade with Peru, this position having been maintained principally due to Peruvian exports of petroleum to Canada. In 1935 Canada's total trade with Peru was valued at S/.29,050,607, of which imports into Peru were S/.3,704,995 and exports from Peru to Canada (entirely petroleum) S/.25,345,612. The United States ranked first in total trade with Peru (S/.124,058,110), followed by the United Kingdom (S/.90,310,774), Germany (S/.61,620,686), and France (S/.33,444,883).

Again, as was the case in 1934, Canada continued in tenth place among those countries supplying imports into Peru. According to Peruvian returns,

however, for the calendar year 1935 a decrease was recorded. Imports into Peru from Canada are shown at S/3,704,995; those in 1934 amounted to S/4,766,449. The United States was again the chief supplier (S/59,582,470), followed by Germany (S/26,677,665), the United Kingdom (S/24,577,932), Argentina (S/13,781,063), Japan (S/9,392,426), British India (S/6,100,531), Italy (S/5,982,438), France (S/5,429,437), and Chile (S/4,618,415).

### CHIEF ARTICLES OF IMPORT

The following table lists the principal products imported into Peru during 1935 with a value of S/500,000 or more, together with a comparison of those same imports in 1934:—

	1935 Soles	1934 Soles
Wheat . . . . .	13,264,477	13,595,087
Machinery for agriculture, dairy and mining . . . . .	6,603,892	2,586,152
Repairs for machinery of all kinds . . . . .	5,868,715	4,523,054
Fabrics: under Tariff Item 52 containing more than 5 and less than 15 per cent silk . . . . .	5,717,442	8,190,183
Automobile trucks . . . . .	5,231,411	3,336,498
Machinery for other industries . . . . .	5,138,368	3,839,690
Empty bags for packaging . . . . .	4,930,836	4,151,097
Passenger automobiles whose value does not exceed S/4,000 . . . . .	4,595,776	2,662,156
Ordinary lumber such as Oregon pine . . . . .	2,809,703	3,043,950
Aeroplanes in general, and repair parts . . . . .	2,725,459	2,491,955
Rails and parts . . . . .	2,704,358	988,162
Iron and steel in sheets, plates, beams, angles, etc. . . . .	1,930,694	1,590,988
Tinplate, plain, neither painted nor varnished . . . . .	1,922,806	2,100,763
Rice in the hull or half hull . . . . .	1,829,008	10,008
Powder, dynamite, and similar explosives . . . . .	1,702,393	1,045,693
Wireless transmitting and receiving apparatus . . . . .	1,654,616	917,769
Milk, whole, concentrated or not, condensed and in powder . . . . .	1,625,232	1,493,885
Pharmaceutical specialties in various small packages	1,619,883	1,411,417
Woollen fabrics, diaphanous, etc., for dresses, etc. . . . .	1,501,019	839,933
Repairs for automobiles, trucks, omnibuses, bicycles, etc. . . . .	1,486,899	1,325,227
Tools for agriculture and mining . . . . .	1,452,202	1,282,867
Tea in any packing . . . . .	1,438,477	1,141,834
Mineral oils, kerosene, naphtha, or gasolene . . . . .	1,424,284	34,946
Artificial silk in threads on cones, prepared for the manufacture of knitted articles . . . . .	1,376,665	827,198
Rubber tires for bicycles, automobiles, and trucks . . . . .	1,357,193	1,424,437
Fabrics, and cashmeres up to 1.60 metres in width of wool . . . . .	1,336,139	863,393
Industrial paraffin in paste, whole or not . . . . .	1,310,927	1,487,374
Colourings derived from tar bases, and colourings sulphurous . . . . .	1,304,558	1,002,848
Iron or steel piping or tubing, forged . . . . .	1,246,862	953,921
Arms and war material, parts and repairs . . . . .	1,244,669	19,028,396
Cotton thread on spools for sewing . . . . .	1,232,751	1,512,600
Newsprint . . . . .	1,195,073	1,366,776
Machinery for industries, derivative of agriculture, mining, and shipping . . . . .	1,193,883	654,241
Fertilizers, natural or artificial, for agriculture . . . . .	1,096,867	276,566
Piping and tubing of iron or steel, with nuts . . . . .	1,090,056	600,775
Iron in sheets, galvanized or painted . . . . .	1,047,183	786,352
Box shooks . . . . .	1,008,751	1,163,163
Petroleum, mineral oils in packages of 15 litres . . . . .	950,501	729,036
Fabrics, coarse or sack-cloth, up to 10 threads of weft and warp . . . . .	948,009	942,050
Hulled rice . . . . .	947,328	49,269
Tools and instruments of all kinds, for the arts and trades . . . . .	833,315	603,916
Articles of iron, forged, for domestic use . . . . .	790,061	650,453
Paper, white or yellow white, for books . . . . .	780,699	743,241
Electrical apparatus for heating over 10 kilos weight	753,155	297,587
Fresh fruits . . . . .	732,629	549,518
Stockings and socks . . . . .	730,654	1,406,967
Articles not tarified . . . . .	721,186	1,057,855
Automobiles, passenger, whose value is between S/4,000.01 and S/5,000 . . . . .	703,565	3,043,950

*Chief Articles of Import—Concluded*

	1935	1934
	Soles	Soles
Stockings and socks, mercerized . . . . .	688,575	762,219
Portland cement . . . . .	687,456	350,764
Paper of cotton, wood, or straw, called "Goudron" . .	666,445	763,045
Paper, ruled, for music . . . . .	632,156	62,086
Cotton fabrics, drills in general . . . . .	613,034	468,396
Freight cars for railways and cable-ways . . . . .	604,884	439,378
Wire of iron or steel, over half a millimetre, for packing . . . . .	598,319	545,695
Calcium arsenate . . . . .	575,679	321,935
Belts of all kinds for machinery . . . . .	568,326	464,007
Fabrics of cotton of more than 200 grams to the square metre . . . . .	543,690	863,520
Leather of all kinds, dressed, tanned, etc. . . . .	541,977	455,124
Piping and tubing of cast iron . . . . .	539,692	177,927
Fabrics of cotton of more than 40 threads . . . . .	528,187	161,754
Paints prepared in oil . . . . .	514,123	641,648

## EXPORTS

Peru's exports to Canada consisted practically entirely of crude petroleum and gasoline and other petroleum derivatives. Crude petroleum exports to Canada in 1935 amounted to 373,894 net metric tons valued at S/.19,090,969. This compares with 369,443 metric tons valued at S/.19,546,761 in 1934. Gasoline exports to Canada in 1935 amounted to 61,240,010 net kilos valued at S/.6,077,778; those of 1934 amounted to 31,123,790 net kilos valued at S/.3,473,531.

## IMPORTS AND CHIEF SOURCES OF SUPPLY

There follows below a summary showing some of the principal imports into Peru in 1935 with total values and the amounts credited in each case to the chief competitive sources (1934 figures within parentheses). This same procedure has been followed in order to indicate the relative amount of trade in so far as Canada is concerned.

## COTTONS

Total importations under the above heading amounted to S/.15,099,611. The chief source of supply was the United Kingdom with S/.5,323,184, followed by Japan (S/.4,904,444), Germany (S/.1,648,698), and Italy (S/.1,091,413). Canada's share amounted to S/.20,246.

*Fabrics, Elastic, for Every Use.*—Total, 2,871 legal kilos, S/.43,600 (S/.29,912): United States, S/.21,891; Japan, S/.4,344; Canada, S/.3,527 (S/.2,225); Belgium, S/.3,051.

*Fabrics of Canvas or Duck, White or Coloured, for Every Use.*—Total, 33,943 gross kilos, S/.93,228 (S/.78,942): Spain, S/.38,248; United States, S/.32,208; United Kingdom, S/.11,027; Canada, S/.2,491 (S/.1,994).

*Fabrics, Other, Close-woven, up to 40 Threads Weft and Warp, weighing more than 70 grams per square metre.*—Total, 1,144,433 gross kilos, S/.4,312,924 (S/.6,601,928); Japan, S/.1,903,005; United Kingdom, S/.1,574,079; Germany, S/.312,609.

*Shirts, Vests, Drawers, etc., Corset Covers, Knitted.*—Total, 114,657 legal kilos, S/.454,946 (S/.549,075): Japan, S/.411,054; United Kingdom, S/.13,472; Germany, S/.8,017; Canada, S/.3,207 (S/.2,795).

*Men's Shirts, Other, White or Coloured, etc.*—Total, 453 dozen, S/.36,334 (S/.17,819): United States, S/.28,722; Canada, S/.4,067 (S/.2,675); United Kingdom, S/.2,874.

*Waterproofed Clothing, with or without Rubber, for any use and in any form.*—Total, 11,564 legal kilos, S/.87,378 (S/.43,448): United States, S/.47,405; United Kingdom, S/.24,243; Germany, S/.8,191; Canada, S/.1,296.

## WOOLLENS

Woollen goods were imported into Peru in 1935 to the value of S/.5,489,649, of which fabrics totalled S/.3,949,497. The chief supplier was the United Kingdom with S/.2,839,777, followed by Germany with S/.790,513, and Japan with S/.576,152. Canada's share under this group amounted to S/.1,471.

## LINEN, JUTE, HEMP, AND SIMILAR TEXTILES

Total importation under this section amounted to S/.6,628,089, which compares with S/.5,738,471 in 1934. British India supplied S/.5,197,585; this group is almost entirely composed of empty bags for packaging purposes.

## NATURAL AND ARTIFICIAL SILKS

A very slight increase in importations occurred in this group, which amounted to S/.3,476,048 in comparison with S/.3,368,871 in 1934. Germany was credited with S/.929,511, followed by France with S/.577,546 and Italy with S/.484,915. Canada's share amounted to S/.25,212.

*Silk Hosiery of Natural Silk.*—Total, 951 legal kilos, S/.147,090 (S/.77,329): United States, S/.99,070; Japan, S/.25,169; Canada, S/.17,092 (S/.179); Germany, S/.4,416.

*Natural Silk Hosiery with Inferior Material.*—Total, 3,643 legal kilos, S/.288,651 (S/.271,660): United States, S/.169,546; Japan, S/.79,174; Germany, S/.29,415; Canada, S/.6,959 (S/.1,719).

## LEATHERS AND FURS

Imports in 1935 amounted to S/.1,336,641 in comparison with S/.1,058,109 in 1934. Imports from Germany amounted to S/.446,700, and were followed by those from the United States (S/.326,387) and France (S/.261,895). Imports from Canada amounted to S/.956.

## FURNITURE

Total imports were valued at S/.344,441 as compared with S/.280,386 in 1934. The United States supplied S/.245,149, and Germany was next with S/.33,922. Canada's share amounted to S/.1,948.

*Bedsteads and Cradles of Metal.*—Total, 52,605 gross kilos, S/.66,771 (S/.37,074): United States, S/.59,961; United Kingdom, S/.5,082; Canada, S/.1,296 (S/.790).

## METALS AND JEWELLERY

Imports under this heading amounted to S/.20,711,717; in 1934 they amounted to S/.18,611,653. Germany was the chief source of supply with S/.6,710,689, followed by the United States with S/.6,421,592, the United Kingdom with S/.4,054,863, and Canada with S/.570,483.

Imports of jewellery and fine metal amounted to S/.619,804; those of bulk and prepared metals, etc., to S/.6,134,285. Imports of steel, aluminum, etc., amounted to S/.12,522,256, and those of manufactures of copper and alloys to S/.1,435,372.

*Steel and Iron in Bars, Sheets or Ingots, in Alloys, such as Ferro-molybdenum, Ferro-chromium, Ferro-vanadium, etc.*—Total, 21,594 gross kilos, S/.11,022 (S/.7,793): United States, S/.7,375; Canada, S/.3,366; Germany, S/.281.

*Aluminum and Magnesium, in Wire, Sheets or Bars.*—Total, 37,729 gross kilos, S/.77,777 (S/.71,982): Switzerland, S/.30,098; Germany, S/.18,729; United States, S/.14,998; Canada, S/.13,561 (S/.16,556).

*Aluminum and Magnesium, in Sheets or Thin Plates, up to 0.05 millimetres.*—Total, 10,405 gross kilos, S/.37,804 (S/.41,985): Switzerland, S/.17,192; Germany, S/.15,412; Canada, S/.5,052 (S/.158).

*Copper, Bronze, or Brass, in Bars or Sheets, of All Kinds.*—Total, 117,382 gross kilos, S/.133,864 (S/.133,835): United States, S/.45,751; United Kingdom, S/.42,879; Germany, S/.35,940; Canada, S/.3,771 (S/.6,849).

*Lead in Bars.*—Total, 19,864 gross kilos, S/.7,580 (S/.12,291): Canada, S/.3,124 (S/.3,980); United Kingdom, S/.2,941; United States, S/.1,355.

*Fencing Wire, with or without Prongs, Meshed, whose openings are greater than 5 centimetres.*—Total, 1,038,841 gross kilos, S/.245,000 (S/.236,807): Germany, S/.187,515; United States, S/.26,429; Japan, S/.12,298; Canada, S/.3,163 (S/.4,454).

*Aluminum and Magnesium in Pieces for Dinner, Dressing and Kitchenware, etc.*—Total, 16,423 gross kilos, S/.75,173 (S/.90,356): Germany, S/.33,309; United States, S/.17,638; Denmark, S/.5,595; Canada, S/.60 (S/.6,992).

*Aluminum Cable and Rope and Parts for Splicing.*—Total, 20,577 gross kilos, S/.31,190 (S/.35,620): Canada, S/.31,190 (S/.35,346).

*Connections, Unions, Tees, Joints, etc., up to 2 inches in diameter.*—Total, 40,280 gross kilos, S/42,342 (S/31,612): Germany, S/19,466; Japan, S/7,302; United States, S/5,782; Canada, S/2,943 (S/2,066).

*The Same as Above, over 2 inches in diameter.*—Total, 206,897 gross kilos, S/95,939 (S/85,403): United States, S/30,131; Germany, S/21,926; United Kingdom, S/17,705; Canada, S/11,850 (S/2,742).

*Piping or Tubing of Forged Iron or Steel, not threaded, including Unions for the same use.*—Total, 2,383,466 gross kilos, S/940,517 (S/148,238): United States, S/506,729; Germany, S/330,049; United Kingdom, S/67,931; Canada, S/14,528 (S/11,435).

*Piping or Tubing of Forged Iron or Steel, Riveted or not, Threaded, for Agricultural, Mineral, or Industrial Uses.*—Total, 1,942,960 gross kilos, S/910,366 (S/953,921): United Kingdom, S/348,149; Germany, S/259,955; United States, S/130,032; Canada, S/73,288 (S/449).

*Cylinders of Iron or Steel, for Packages, galvanized or not, and Milk Cans.*—Total, 158,121 gross kilos, S/176,338 (S/152,855): United States, S/137,018; Germany, S/18,224; United Kingdom, S/6,106; Canada, S/3,788 (S/32,596).

*Nails and Tacks, over 25 millimetres long, galvanized or not.*—Total, 1,644,392 gross kilos, S/390,101 (S/371,303): Germany, S/235,626; United States, S/93,746; Canada, S/20,335 (S/45,369); United Kingdom, S/13,586.

*Hairpins.*—Total, 11,146 legal kilos, S/31,060 (S/32,186): Germany, S/13,717; Canada, S/7,220 (S/3,660); Japan, S/6,064; Czechoslovakia, S/1,814.

*Tin, Manufactured, in Pieces, not specified, Enamelled, Varnished or Painted.*—Total, 7,239 gross kilos, S/21,506 (S/18,048): United Kingdom, S/9,925; Germany, S/5,045; United States, S/4,135; Canada, S/1,586.

*Repairs and Parts for Razors, including Razor Blades.*—Total, 209,093 dozens, S/121,095 (S/114,961): United States, S/65,582; Germany, S/42,381; Canada, S/5,465 (S/458).

*Rails and Parts.*—Total, 13,328,746 gross kilos, S/2,704,358 (S/998,162): United Kingdom, S/1,467,935; Belgium, S/454,066; Canada, S/331,921 (nil); United States, S/330,847.

*Tanks Assembled or Not.*—Total, 892,808 gross kilos, S/289,805 (S/651,744): United States, S/254,179; Germany, S/26,096; United Kingdom, S/6,492; Canada, S/3,028 (S/2,246).

*Wire of more than ½ Millimetre Diameter.*—Total, 97,349 gross kilos, S/138,719 (S/97,260): United States, S/106,806; United Kingdom, S/24,736; Germany, S/5,019; Canada, S/1,510 (S/2,388).

*Keys of Barrels, Lavatories, and Similar uses.*—Total, 5,366 legal kilos, S/29,860 (S/21,518): United Kingdom, S/14,500; Germany, S/11,170; Canada, S/2,345 (S/1,790); United States, S/1,335.

*Wire or Metallic Cloth, of Copper, for Sanitary Use.*—Total, 14,301 gross kilos, S/29,954 (S/31,347): Germany, S/9,677; United States, S/8,597; United Kingdom, S/3,828; Canada, S/2,447 (S/7,905).

*Tubes for Industrial Use, whose walls measure more than 1 millimetre.*—Total, 17,982 gross kilos, S/30,892 (S/39,900): United Kingdom, S/14,329; United States, S/8,728; Canada, S/5,989 (S/12,061); Germany, S/1,846.

#### STONES, EARTHS, CERAMICS, AND CRYSTALS

Total imports under this section increased to S/5,346,100 from S/4,104,213 in 1934. Germany was the chief source of supply, with S/1,991,020, followed by the United States with S/824,891, the United Kingdom with S/724,521, and Japan with S/551,005. Imports from Canada amounted to S/48,626.

*Portland Cement.*—Total, 28,844,641 gross kilos, S/687,456 (S/350,764): Germany, S/446,839; Japan, S/134,919; Canada, S/42,940 (S/18,185); United Kingdom, S/18,672.

*Grindstones, in Any Form, not specified.*—Total, 16,859 gross kilos, S/35,671 (S/31,685): United States, S/15,803; United Kingdom, S/6,303; Canada, S/3,882 (S/2,418); Germany, S/3,154.

#### LUMBER

A slight decrease occurred in imports under the lumber section, which amounted to S/5,550,340 in comparison with S/5,658,599 in 1934. The chief source of supply was the United States with S/3,521,288, followed by Canada with S/824,974 and Chile with S/511,762.

*Ordinary Lumber such as Oregon Pine, etc., and Similar Woods sawn in Boards, Beams, etc.*—Total, 3,437,900 square metres, S/2,809,703 (S/2,662,156): United States, S/2,608,345; Chile, S/125,084; Canada, S/76,104 (S/218,374).

*Lumber, Various, Sleepers of all Sizes, for Railways.*—Total, 193,449 sleepers, S/452,979 (S/523,504): United States, S/408,851; Chile, S/30,893; Canada, S/13,063 (nil).

*Lumber in Trunks or Logs, Unworked.*—Total, 850,248 gross kilos, S/49,107 (S/15,834): United States, S/33,287; Costa Rica, S/6,563; Canada, S/2,605 (nil); Ecuador, S/2,055.

*Box Shooks.*—Total, 7,274,591 gross kilos, S/1,008,751 (S/1,163,163): Canada, S/730,998 (S/862,330); United States, S/159,176; Chile, S/118,577.

#### COLOURINGS, OILS, BITUMENS, AND GUMS

Imports to the value of S/10,704,266 are shown in this section in comparison with S/8,161,750 in 1934. The United States was the dominant supplier with S/5,232,572, followed by Germany with S/1,590,056 and the United Kingdom with S/1,209,320. Imports from Canada amounted to S/388,365.

*Paints, Prepared in Oil, including Floor Paint.*—Total, 637,344 gross kilos, S/514,123 (S/641,648): United Kingdom, S/266,156; United States, S/164,117; Canada, S/43,814 (S/85,322); Belgium, S/13,906.

*Enamel Paints.*—Total, 55,160 gross kilos, S/104,202 (S/128,536): United States, S/68,991; Japan, S/11,011; Germany, S/10,138; Canada, S/7,621 (S/10,174).

*Petroleum Mineral Oils, used as Lubricants.*—Total, 1,987,457 gross kilos, S/950,501 (S/729,036): United States, S/841,046; United Kingdom, S/81,214; Germany, S/20,131; Canada, S/5,084 (nil).

*Varnishes, Oleaginous, Blacks, for Iron.*—Total, 14,695 gross kilos, S/17,392 (S/12,405): United Kingdom, S/7,224; Canada, S/5,307 (nil); United States, S/4,839.

*Varnishes, Spirits of Turpentine Base, or Hydrocarbons.*—Total, 21,968 gross kilos, S/32,100 (S/24,953): United Kingdom, S/13,032; United States, S/8,820; Germany, S/6,756; Canada, S/3,236 (S/4,659).

*Tubes for Bicycles, Automobiles, and Trucks of Rubber or Gum Elastic.*—Total, 50,619 legal kilos, S/135,348 (S/111,472): United States, S/80,116; Canada, S/22,402 (S/22,673); United Kingdom, S/16,806; France, S/7,756.

*Rubber Tires for Bicycles, Automobiles, and Trucks.*—Total, 526,182 legal kilos, S/1,357,193 (S/1,028,806): United States, S/750,411; Canada, S/289,381 (S/225,986); United Kingdom, S/165,199; France, S/93,619.

*Rubber in Plain Sheets for Repairing Tires and Tubes.*—Total, 39,767 gross kilos, S/79,453 (S/95,073); United States, S/38,723; Japan, S/19,525; United Kingdom, S/6,561; Canada, S/5,177 (S/6,316).

*Rubber Manufactured in Threads, Moulded Goods, such as Corks, etc.*—Total, 23,659 legal kilos, S/107,864 (S/125,298): United States, S/35,416; Japan, S/30,998; Germany, S/27,724; Canada, S/1,358 (S/1,967).

*Hose, not Wired.*—Total, 22,894 gross kilos, S/63,818 (S/41,051): United States, S/46,823; United Kingdom, S/7,456; Germany, S/5,199; Canada, S/1,696 (S/4,413).

*Hose of Hardened Rubber, for Compressed Air.*—Total, 15,848 gross kilos, S/69,184 (S/40,780): United States, S/64,268; United Kingdom, S/2,294; Canada, S/1,031 (S/182).

#### WRITING MATERIALS, PAPERS, AND CARDBOARDS

Total imports under these headings amounted to S/6,560,863 as compared with S/6,012,625 in 1934. Germany led the list of suppliers with S/1,585,753, followed by the United States with S/1,372,851 and Canada with S/1,041,732. The bulk of the Canadian figure is composed of newsprint.

*Almanacs.*—Total, 18,808 legal kilos, S/52,217 (S/55,083): United States, S/23,253; Japan, S/12,187; United Kingdom, S/5,345; Germany, S/4,599; Canada, S/2,490.

*Cardboard Portfolios, with or without Metal Attachments.*—Total, 22,969 legal kilos, S/56,033 (S/55,465): Germany, S/25,144; United States, S/14,347; Sweden, S/6,435; Canada, S/1,928 (S/404).

*Typewriter Ribbons of All Kinds.*—Total, 4,016 legal kilos, S/70,952 (S/68,411): United States, S/32,127; Germany, S/31,579; Canada, S/3,495 (S/524); United Kingdom, S/2,953.

*Coloured Printing and Lithographing Ink.*—Total, 18,377 gross kilos, S/64,987 (S/56,922): Germany, S/30,899; United Kingdom, S/16,548; United States, S/10,935; Canada, S/1,079 (S/517).

*Advertisements of Foreign Products, Commercial Catalogues, etc.*—Total, 96,522 gross kilos, S/155,272 (S/127,433): United States, S/99,573; Germany, S/18,936; United Kingdom, S/13,202; Canada, S/1,602 (S/362).

*Ordinary Paper Bags, not printed, for Packaging.*—Total, 98,209 gross kilos, S/44,210 (S/111,263): United States, S/33,650; Canada, S/10,461 (S/1,327).

*Tarred Roofing Paper.*—Total, 219,007 gross kilos, S/51,687 (S/57,473): United States, S/32,900; Canada, S/9,357 (nil); United Kingdom, S/4,621; Germany, S/4,535.

*Asbestos Board, for Construction Purposes.*—Total, 55,135 gross kilos, S/24,481 (S/35,547): United States, S/18,709; Canada, S/5,043 (S/5,385); Finland, S/648.

*Printed Books and Memorandum Books.*—Total, 50,500 gross kilos, S/168,726 (S/131,996): United States, S/40,507; United Kingdom, S/31,506; France, S/24,769; Canada, S/5,705 (S/2,061).

*Coloured Paper, not specified.*—Total, 366,384 gross kilos, S/129,914 (S/169,016): Germany, S/42,498; Sweden, S/33,537; Norway, S/19,185; Canada, S/2,239 (S/2,622).

*Paper of Cotton, Wood, or Straw, not Satinated, "Goudron" and Like Paper.*—Total, 2,206,270 gross kilos, S/666,445 (S/763,045): Sweden, S/481,681; Canada, S/45,085 (S/22); Estonia, S/43,497; Germany, S/39,234.

*Carbon Paper.*—Total, 8,535 legal kilos, S/64,522 (S/58,941): United States, S/30,465; Germany, S/23,249; United Kingdom, S/6,894; Canada, S/3,100 (S/4,220).

*Paper, White or Yellow White, for Books, etc.*—Total, 1,968,362 gross kilos, S/780,699 (S/743,241): Germany, S/290,623; Norway, S/121,138; Finland, S/105,364; Canada, S/2,347 (S/8,429).

*Paper, Monogrammed, etc.*—Total, 22,136 gross kilos, S/83,753 (S/41,136): United Kingdom, S/65,362; United States, S/8,033; Germany, S/5,938; Canada, S/2,296 (S/722).

*Newsprint.*—Total, 7,740,490 gross kilos, S/1,195,073 (S/1,366,776): Canada, S/914,608 (S/1,011,096); Germany, S/100,826; Norway, S/95,425; Finland, S/38,951.

*Wallpaper.*—Total, 184,139 gross kilos, S/170,392 (S/174,013): Belgium, S/60,802; Germany, S/51,753; United Kingdom, S/36,211; Canada, S/14,094 (S/6,317).

*Paper, Printed as Orders, Bills, etc.*—Total, 5,807 gross kilos, S/20,540 (S/47,919): United Kingdom, S/10,726; United States, S/5,364; Germany, S/1,403; Canada, S/1,024 (S/992).

*Paper, Printed for Meters and Registering Apparatus.*—Total, 2,432 legal kilos, S/21,914 (S/20,944): Canada, S/10,183 (S/219); United States, S/9,059; Germany, S/981; Switzerland, S/971.

#### TOOLS, SHIPS' CHANDLERY, MACHINERY, AND VEHICLES

Total imports amounted to S/43,562,584 as compared with S/29,833,855 in 1934. Under tools and instruments imports are shown as amounting to S/3,583,091, ships' chandlery to S/834,209, and machinery and vehicles to S/39,145,284. Imports from the United States amounted to S/27,271,373; the United Kingdom, S/5,711,170; Germany, S/4,373,073; Italy, S/2,691,173; and Canada, S/300,874.

*Brushes of Hair.*—Total, 10,285 gross kilos, S/88,555 (S/72,100): United Kingdom, S/32,908; Germany, S/29,406; United States, S/20,790; Canada, S/3,866 (S/6,889).

*Packing of Rubber or Composition.*—Total, 29,703 gross kilos, S/168,751 (S/154,463): United States, S/118,798; United Kingdom, S/28,547; Canada, S/17,047 (S/30,567); Germany, S/2,052.

*Tools not specially mentioned and Articles for Trade.*—Total, 307,047 gross kilos, S/833,315 (S/603,916): United States, S/391,934; Germany, S/292,761; United Kingdom, S/68,788; Canada, S/3,758 (S/3,012).

*Tools not specially mentioned and Articles for Agriculture and Mining.*—Total, 1,245,537 gross kilos, S/1,452,202 (S/1,282,767): United Kingdom, S/631,554; United States, S/509,378; Germany, S/221,982; Canada, S/34,296 (S/7,605).

*Chains.*—Total, 73,783 gross kilos, S/41,305 (S/28,766): United States, S/16,187; United Kingdom, S/14,597; Germany, S/6,464; Canada, S/4,057 (nil).

*Rope, Manila or Sisal, over 9 Millimetres Diameter.*—Total, 625,931 gross kilos, S/382,427 (S/399,033): United Kingdom, S/158,771; Philippines, S/87,934; Canada, S/59,674 (S/38,284); Belgium, S/53,556.

*Firepumps, including Auto-pumps and Parts.*—Total, 103,939 gross kilos, S/154,438 (S/228,750): Germany, S/85,347; United States, S/42,385; Canada, S/11,374 (S/2,187); United Kingdom, S/10,975.

*Automobile Trucks.*—Total, 3,041,880 gross kilos, S/5,220,372 (S/3,275,271): United States, S/4,948,678; Germany, S/143,254; Great Britain, S/86,685; Canada, S/7,027 (S/79,409).

*Automobiles, Passenger.*—Total, 2,425,702 gross kilos, S/4,595,776 (S/3,043,950): United States, S/4,396,745; Germany, S/104,690; Italy, S/41,600; Canada, S/8,244 (S/15,244).

*Belting of All Kinds for Machinery and Belt Lacing.*—Total, 97,556 gross kilos, S/568,326 (S/464,007): United States, S/344,866; United Kingdom, S/140,592; Germany, S/22,843; Canada, S/2,954 (S/1,399).

*Jacks, etc.*—Total, 19,435 gross kilos, S/42,071 (S/21,243): United States, S/18,569; United Kingdom, S/13,414; Germany, S/8,125; Canada, S/1,819 (nil).

*Manometers, Metallic.*—Total, 1,364 gross kilos, S/16,834 (S/13,905): United States, S/7,009; United Kingdom, S/3,181; Germany, S/2,941; Canada, S/1,292 (S/2,019).

*Machinery for Development of Agriculture, Dairying and Mining.*—Total, 4,359,881 gross kilos, S/6,603,892 (S/2,586,152): United States, S/5,449,700; United Kingdom, S/589,960; Germany, S/346,205; Canada, S/8,850 (S/297,970).

*Machinery for Industries directly derivative of the Agricultural and Mining Industries and Shipping.*—Total, 702,315 gross kilos, S/1,193,883 (S/654,241): United States, S/731,382; Germany, S/237,905; United Kingdom, S/111,979; Canada, S/34,207 (S/2,318).

*Machinery for Other Industries, General, including those for the Arts and Trades.*—Total, 2,492,745 gross kilos, S/5,138,368 (S/3,839,690): United States, S/2,063,506; Germany, S/1,358,444; United Kingdom, S/719,353; Canada, S/10,044 (S/24,238).

*Repairs for Automobiles, Trucks, etc., and Bicycles, not elsewhere specified.*—Total, 693,935 gross kilos, S/1,486,899 (S/1,325,227): United States, S/1,326,363; Germany, S/66,921; Japan, S/49,310; Canada, S/1,587 (S/2,050).

*Repairs for Machinery of All Kinds.*—Total, 2,536,328 gross kilos, S/5,868,715 (S/4,523,054): United States, S/3,168,714; United Kingdom, S/1,275,692; Germany, S/559,757; Canada, S/13,841 (S/10,517).

*Valves of Iron or Steel, for Industrial Uses.*—Total, 119,847 gross kilos, S/237,712 (S/155,727): United States, S/150,555; Canada, S/56,067 (S/58,237); Germany, S/17,617; United Kingdom, S/13,473.

*Valves of Bronze or Copper for the Same Uses.*—Total, 33,170 gross kilos, S/130,123 (S/94,036): United States, S/52,561; United Kingdom, S/42,047; Canada, S/17,841 (S/21,095); Germany, S/14,581.

#### ELECTRICAL ARTICLES AND APPARATUS

Total imports under the above heading amounted to S/6,642,122 in comparison with S/4,488,793 in 1934. The United States was credited with S/3,578,810, followed by Germany with S/1,052,826, Belgium with S/472,963, and Canada with S/320,813.

*Electrical Accessories.*—Total, 86,025 gross kilos, S/321,313 (S/300,771): United States, S/142,031; Germany, S/107,509; Japan, S/19,440; Canada, S/3,135 (S/3,868).

*Batteries up to 30 Kilos and Electrical Piles.*—Total, 200,126 gross kilos, S/261,126 (S/276,143): United States, S/199,510; Japan, S/16,935; Germany, S/15,936; Canada, S/5,950 (S/6,306).

*Copper Wire up to 3 Millimetres Diameter, Metal Measurement, Lined with any Material other than silk.*—Total, 99,270 gross kilos, S/176,397 (S/166,602): Germany, S/63,397; United States, S/46,101; Norway, S/32,133; Canada, S/11,780 (S/38,034).

*Copper Wire over 3 Millimetres Diameter, Metal Measurement, Lined with any Material other than silk.*—Total, 119,082 gross kilos, S/148,417 (S/87,225): Germany, S/68,279; United States, S/61,495; Canada, S/8,330 (S/10,447); Netherlands, S/4,812.

*Copper Wire, Lead-sheathed, or with Iron or Steel and their Union Boxes.*—Total, 574,214 gross kilos, S/355,652 (S/182,887): Italy, S/198,261; Germany, S/117,790; United States, S/19,925; Canada, S/2,265 (nil).

*Insulated Copper Wire, Telephone, Lead-lined.*—Total, 277,582 gross kilos, S/369,200 (S/53,487): Canada, S/247,415 (S/18,765); United States, S/69,518; United Kingdom, S/38,955; Belgium, S/12,897.

*Flexible Cord, Copper, Two or More Conductors, Lined in any Material that is not silk.*—Total, 18,810 gross kilos, S/50,609 (S/45,162): Germany, S/35,425; United Kingdom, S/3,412; Norway, S/3,200; Canada, S/2,848 (S/3,233).

*Meters, Domestic, for Electric Light.*—Total, 5,729 gross kilos, S/67,606 (S/103,303): Germany, S/57,230; United States, S/5,337; Canada, S/3,250 (S/82,953); Switzerland, S/1,695.

*Repairs for Telephone Apparatus.*—Total, 1,250 legal kilos, S/35,914 (S/131,346): United States, S/11,672; Belgium, S/9,953; Canada, S/6,512 (S/5,607); Germany, S/3,450.

*Connection Panels, for Dynamos, Motors, Central Stations, and Telephones.*—Total, 56,009 gross kilos, S/442,341 (S/360,855); Belgium, S/328,548; United States, S/30,548; Germany, S/29,214; Canada, S/17,937 (S/32,017).

*Insulated Metal Tubes, for Installations, and their Boxes, Tees, and Elbows.*—Total, 47,528 gross kilos, S/50,657 (S/29,542): United States, S/25,251; Germany, S/17,300; Canada, S/6,351 (S/4,019); United Kingdom, S/1,755.

#### BEVERAGES AND LIQUORS

Total importations amounted to S/973,998 as compared with S/775,338 in 1934. Importations from the United Kingdom amounted to S/505,385, from France to S/243,661, from Spain to S/73,103, and from Germany to S/35,065. Imports from Canada amounted to S/5,287.

*Bitters (not Angostura or its imitations), Cocktails, etc.*—Total, 3,565 litres, S/14,006 (S/7,746): Italy, S/5,963; France, S/4,633; Canada, S/1,710 (S/929); United Kingdom, S/918.

*Whisky in Bottles.*—Total, 75,452 litres, S/434,338 (S/337,960): United Kingdom, S/424,949; United States, S/5,180; Canada, S/3,577 (S/5,588).

#### FOODSTUFFS AND SPECIALTIES

Imports to the amount of S/27,437,581 were imported as compared with S/24,242,365 in 1934. The principal supplier was the Argentine, whose exports to Peru amounted to S/13,208,308, of which S/12,611,237 were wheat imports. Ecuador followed with S/3,141,675 (principally rice); the United States, S/2,351,764; and Chile, S/2,228,882. Canada's share amounted to S/96,110.

*Preserved Fish and Shell-fish, not specified.*—Total, 134,806 gross kilos, S/165,440 (S/91,963): Japan, S/60,505; Spain, S/41,646; United States, S/22,851; Canada, S/2,267 (S/1,509).

*Preserved Vegetables and Garden Vegetables.*—Total, 246,681 gross kilos, S/135,501 (S/99,471): United States, S/53,420; Chile, S/29,021; Japan, S/15,516; Canada, S/3,393 (S/2,741).

*Preserved Meats, including Sausages, Hams, Bacon, etc.*—Total, 225,200 gross kilos, S/406,840 (S/330,776): United States, S/129,528; Argentina, S/47,922; Denmark, S/44,577; Canada, S/1,893 (S/2,291).

*Sweets, Pastes, Chocolates, in Bulk.*—Total, 152,005 gross kilos, S/342,005 (S/344,767): United States, S/187,813; Great Britain, S/76,867; Italy, S/29,816; Canada, S/1,799 (S/2,704).

*Milk, Whole, Concentrated or not, Evaporated, or Condensed.*—Total, 2,723,617 gross kilos, S/1,625,232 (S/1,493,885): Holland, S/538,566; United States, S/525,374; Chile, S/232,490; Canada, S/50,390 (S/53,326).

*Pure Butter.*—Total, 124,711 gross kilos, S/190,277 (S/142,989): Argentina, S/49,924; Chile, S/28,710; Ireland, S/26,783; Canada, S/21,878 (S/3,176).

*Salmon, General.*—Total, 142,297 gross kilos, S/69,475 (S/106,895): United States, S/42,659; Japan, S/15,700; Canada, S/7,870 (S/18,056); United Kingdom, S/1,579.

*Tea in Any Packing.*—Total, 708,916 gross kilos, S/1,438,477 (S/1,141,834): British India, S/495,962; Java, S/251,252; China, S/181,793; Canada, S/5,610 (S/2,311).

#### CHEMICAL, PHARMACEUTICAL, AND BIOLOGICAL PRODUCTS

Total imports under this heading amounted to S/8,869,588 as compared with S/7,746,153 in 1934. Of these amounts, chemical and pharmaceutical products imported were S/5,657,345; pharmaceutical specialties, S/1,686,906; biological products, S/372,898; and drugs, S/1,152,439. The United States was the principal supplier with S/2,901,370, followed by Germany (S/2,705,394) and the United Kingdom (S/943,238). Canada supplied to the amount of S/47,944).

*Calcium Oxide (Quick and Slack Lime).*—Total, 1,776,520 gross kilos, S/129,138 (S/173,191): Germany, S/78,859; United States, S/37,173; United Kingdom, S/5,919; Canada, S/5,818 (S/8,352).

*Calcium Carbonate for Industrial Use.*—Total, 352,625 gross kilos, S/115,162 (S/104,604): Poland, S/34,119; Ireland, S/24,266; Germany, S/19,323; Canada, S/12,100 (S/10,485).

*Essences for Gaseous Waters and Sweets.*—Total, 8,641 net kilos, S/155,149 (S/95,346): United States, S/62,054; United Kingdom, S/53,009; Germany, S/22,981; Canada, S/1,033 (S/379).

*Stearine (Stearic Acid) in General.*—Total, 47,320 gross kilos, S/39,925 (S/44,779): Belgium, S/14,246; Holland, S/12,438; United Kingdom, S/5,327; Canada, S/1,205 (nil).

*Organic, Chemical Products, Synthetic or not, n.o.p.*—Total, 115,675 net kilos, S/292,826 (S/112,276): Germany, S/168,375; United States, S/81,765; Belgium, S/13,224; Canada, S/10,000 (nil).

*Sodium, Acetate, Biborate, Cyanide, etc.*—Total, 186,260 net kilos, S/258,298 (S/128,279): Germany, S/149,539; France, S/67,768; United States, S/30,350; Canada, S/10,448 (nil).

*Sulphate of Sodium (Glauber's Salts).*—Total, 207,675 gross kilos, S/29,252 (S/33,466): Germany, S/24,376; Chile, S/1,797; Canada, S/1,236; United Kingdom, S/1,102.

#### MISCELLANEOUS

Total imports in this section amounted to S/5,193,370 (S/3,793,405). The United States is credited with S/1,204,714; Germany, S/1,032,125; Chile, S/706,865; and Japan, S/500,599. Canada is credited with S/8,527.

*Table Oilcloth.*—Total, 77,302 gross kilos, S/166,855 (S/169,579): United States, S/101,275; United Kingdom, S/36,796; Germany, S/18,614; Canada, S/5,819 (S/3,423).

## TRADE OF TIENTSIN, JANUARY TO JUNE

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

(The average value of the Customs gold unit during the first six months of 1935 was U.S.\$0.66 and for the same period in 1936 U.S.\$0.68)

Tientsin, September 1, 1936.—The import and export trade returns of the port of Tientsin for the first six months of the present year have just been issued. No statistics of this kind covering the combined North China ports are ever separately published, but as Tientsin is, after Shanghai, China's most important import centre and is North China's chief distribution centre, a study of its trade figures, which are representative of the whole area, will give valuable information on the conditions of trade in this northern territory.

### IMPORTS

For the January-June, 1936, period, the total value of the imports into Tientsin from abroad amounted to only 14,461,459 gold units as compared to g.u.28,910,494 in the same period of last year, showing a most remarkable decrease of almost exactly 50 per cent. Such a slump in imports, if real, would be quite unprecedented and would imply a disastrous curtailment in import activities. However, no such slump actually occurred, nor was there any decrease at all as is implied by the official customs figures. On the contrary, a considerably greater volume and value of goods from abroad were imported into Tientsin during the period under review than came in throughout the similar period of last year. The portion unaccounted for in these figures was, of course, smuggled in.

### SMUGGLING AND ITS EFFECT

An excellent idea of the extent to which smuggling, or the so-called "special trade," has been carried on this year can be obtained from the customs figures mentioned above. During April it was officially estimated that illicit goods were flowing into Tientsin at the rate of \$300 million Chinese currency per annum or \$25 million a month. Tientsin naturally could not regularly absorb such a large volume of goods, but this port was and is used now as a distribution centre for commodities destined to areas which ordinarily are served by more southerly ports. By escaping the payment of customs duties it is possible to ship smuggled goods considerable distances south and west outside the North China zone, and undercut the prices of goods legally imported through the normal southern ports of entry.

There has been no effective curb on smuggling and, as a result, a much larger than ordinary volume of imported goods has passed through this port, designed to supply not only the normal areas tributary to Tientsin but large ports of Central China as well. Local godowns are choked with such goods. There are sufficient of the articles in which the smugglers deal already on hand to supply the usual demands of Tientsin for months to come.

### VALUE OF SMUGGLED GOODS IN TIENTSIN

It is estimated, on excellent authority, that the value of smuggled articles now piled up in Tientsin warehouses amounts to Ch.\$30,000,000 equal to about g.u.13,333,000, which sum in itself would practically balance the equivalent import value of the goods brought in during the first half of 1935, quite apart from the value of those imported and already distributed during the present half-year. The market for such goods, when legitimately imported, is completely disrupted and, even if smuggling could be eliminated at once, the heavy

volume in store would prevent the resumption of legitimate trade in them for some months to come.

Moreover, in lines which the smugglers do not touch there is a marked disinclination upon the part of importers to make forward commitments for the legitimate import of such items except for sufficient to carry on from week to week, because of the fear that later on the normal market for them will similarly be disrupted by smuggling activities. This situation was responsible for a real decrease during the period under review in the value of many import items which the smugglers do not touch.

The result then is the heavy decrease indicated above in the legitimate imports into Tientsin, and a similar trend will doubtless be apparent from the figures issued by all the other North China ports and the adjacent ones in Central China. A more detailed study of the single commodity import figures will show that the goods returning a normal import volume are those which, because of their bulk, do not lend themselves easily to smuggling activity.

#### IMPORTS BY COMMODITY GROUPS

The total value of each main commodity group for the period under review is as follows:—

Commodity Group	1936 Gold Units	1935 Gold Units
Total . . . . .	14,461,459	28,910,494
Textiles and textile products . . . . .	1,131,244	2,935,656
Metals and ores . . . . .	2,020,345	4,344,926
Machinery and tools . . . . .	1,020,877	1,493,211
Vehicles and vessels . . . . .	1,077,638	2,199,263
Miscellaneous metal manufactures . . . . .	684,066	1,157,236
Fishery and sea products . . . . .	156,240	257,737
Animal products and groceries . . . . .	141,502	291,049
Cereals and flour . . . . .	440,130	914,088
Fruits, seeds and vegetables . . . . .	119,249	457,355
Medicinal substances and spices . . . . .	123,149	216,411
Sugar . . . . .	45,122	1,523,996
Wines and spirits, etc. . . . .	40,384	217,127
Tobacco . . . . .	106,921	134,353
Chemicals and pharmaceuticals . . . . .	1,191,313	1,107,607
Dyes, paints and varnishes . . . . .	948,286	1,622,523
Candles, soap, oils, fats, etc. . . . .	1,669,941	2,998,612
Paper, pulp and products . . . . .	1,135,789	2,140,340
Hides, leather, etc. . . . .	113,894	199,893
Timber . . . . .	630,367	1,426,231
Bamboos, rattans and manufactures . . . . .	94,903	160,862
Coal, fuel, pitch and tar . . . . .	23,012	39,075
China, glass and enamelware . . . . .	152,915	298,663
Stones, earth and manufactures . . . . .	46,258	105,901
Sundry . . . . .	1,347,914	1,668,381

#### SOURCES OF SUPPLY OF IMPORTS

In the detailed section of the trade returns only the chief import items are treated as to country of origin. These, exceeding a value of Ch.\$200,000, are dealt with below, the comparative figure for last year being in parentheses and the value expressed being in gold units: kerosene oil, 1,077,255 (2,087,706), of which over three-fourths was supplied by the Dutch East Indies; miscellaneous textile products, 602,628 (510,645), mainly originating in Japan and Great Britain; miscellaneous machinery and parts, 461,961 (725,781), the chief sources being Germany, Great Britain, and Japan; bicycles and parts, 489,898 (738,753), almost entirely from Japan; miscellaneous metals and ores, 489,896 (569,223), Japan and Great Britain being the principal suppliers; miscellaneous paper and paperware, 457,606 (473,036), of which 65 per cent came from Japan; aniline dyes, 417,458 (739,821), of which Germany furnished 80 per cent; sulphate of ammonia, 390,899 (86,172), originating mainly in Germany; softwood timber, 361,927 (882,647), of which one-third each was supplied by

Canada and the United States; miscellaneous chemicals and chemical compounds, 340,564 (528,694), of which Japan supplied two-thirds; miscellaneous metal manufactures, 297,066 (519,429), 40 per cent from Japan and one-third from Germany; ungalvanized iron and steel bars, 279,638 (721,948), Japan and Germany again being the principal sources; miscellaneous dyes and pigments, 275,777 (310,265), of which South Africa was the principal supplier followed by Japan and Germany; gasolene, naphtha and benzine, 270,505 (522,984), of which the Dutch East Indies supplied almost the whole; ungalvanized iron and steel sheets and plates, 269,090 (555,086), Japan and Germany supplying almost the whole; newsprint, 242,354 (686,556), Japan and Canada supplying much the greater part; wheat flour, 231,924 (496,069), of which 85 per cent originated in Japan; miscellaneous medicines and drugs, 228,927 (227,157), Germany and Japan being the chief sources of supply.

### EXPORTS

As opposed to imports, which are calculated in Customs gold units, exports are recorded in Chinese Yuan or dollars. The average value of this latter unit of currency for the period under review was U.S.\$0.30 as compared to U.S.\$0.38 during the first six months of last year. The total exports for the 1936 January-June period amounted to \$54,189,393 as compared to \$41,230,430 for the similar period of last year. This 31 per cent increase in the total value is largely accounted for by the drop of 21 per cent in the exchange value of the Chinese paper dollar, since export prices rose commensurately. However, there was as well a better demand from foreign countries for Chinese products due to more settled economic conditions and greater purchasing power abroad.

### EXPORTS BY COMMODITY GROUPS

The above total value for the period under review is set forth by main commodity groups in the following table:—

Commodity Group	1936 Chinese \$	1935 Chinese \$
Total . . . . .	54,189,393	41,230,430
Animals and animal products . . . . .	9,486,085	8,540,943
Hides, leather and skins . . . . .	9,965,012	5,950,049
Fishery and sea products . . . . .	132,045	138,512
Beans and peas . . . . .	470,262	451,419
Cereals and cereal products . . . . .	1,378,797	4,136,236
Dyestuffs, vegetable . . . . .	65	643
Fruits, fresh, dried, preserved . . . . .	1,981,340	1,618,861
Medicinal substances and spices . . . . .	951,111	1,023,006
Oil, tallow and wax . . . . .	215,919	291,241
Seeds . . . . .	4,460,034	2,994,381
Spirituous beverages . . . . .	141,588	116,900
Tea . . . . .	108,216	2,211
Tobacco . . . . .	1,797	65,179
Vegetables . . . . .	302,919	359,557
Other vegetable products . . . . .	47,553	32,065
Bamboo . . . . .	5,482	3,415
Fuel . . . . .	195,516	109,998
Rattan . . . . .	6,123	.....
Timber, wood and manufactures . . . . .	45,217	29,326
Paper . . . . .	8,789	5,279
Textile fibres . . . . .	20,567,257	11,997,179
Yarn, thread and knitted goods . . . . .	25,803	21,666
Piece-goods . . . . .	164,832	11,495
Other textile products . . . . .	1,720,217	1,735,235
Ores, metals and products . . . . .	290,625	153,267
Glass and glassware . . . . .	12,649	11,698
Stone, earth, sand and manufactures . . . . .	80,736	59,971
Chemicals and chemical products . . . . .	119,195	69,652
Printed matter . . . . .	31,205	10,246
Sundry . . . . .	1,273,004	1,291,150

The principal export items, with their values in Chinese dollars and last year's first half-year values in parentheses, were as follows: raw cotton, 10,729,428 (4,256,845), of which Japan took 64 per cent, the United States 23 per cent, and Germany 10 per cent; sheep's wool, 6,206,101 (5,024,319), the United States having purchased 67 per cent and Germany 27 per cent; lamb skins, 2,912,255 (2,096,534), almost the whole having been exported to the United States; bristles, 2,867,385 (1,907,496), with similar destination; miscellaneous types of seed, 2,666,792 (1,051,841), of which Australia absorbed 56 per cent, the United States 26 per cent, and Japan 18 per cent; miscellaneous skins, mats, and rugs, 2,656,712 (1,934,541), almost the entire amount having gone to the United States; dried egg albumen, 1,786,032 (2,021,687), supplied to the extent of 35 per cent to Great Britain, 29 per cent to the United States, 11 per cent to Germany, and 6 per cent to France; woollen carpets, 1,704,293 (1,722,757), of which the United States purchased 43 per cent, Great Britain 27 per cent, and South Africa 9 per cent; walnut kernels, 1,647,166 (1,240,881), the United States taking 46 per cent, Canada 30 per cent, Australia 13 per cent, and New Zealand 6 per cent; casings, 1,557,049 (1,892,848), the respective shares being the United States 46 per cent and Germany 38 per cent; undressed goat skins, 1,502,456 (793,123), of which the United States bought 92 per cent; hemp, 1,379,019 (1,040,898), the shares of the chief purchasers being Belgium 41 per cent, Great Britain 21 per cent, France 14 per cent, and Germany 11 per cent; apricot seed, 1,097,170 (683,517), Germany having taken 41 per cent, Holland, 20 per cent, and Great Britain 17 per cent; dried egg yolk, 1,080,652 (892,426), of which the United States bought 51 per cent and Germany 25 per cent; kid skins, 1,053,828 (381,292), almost the whole of which went to the United States.

#### NORTH CHINA'S TRADE WITH CANADA

##### EXPORTS

There are certain well-defined articles which form the bulk of North China's exports to Canada. Of these walnut kernels is the most important item, the total value for the period under review having amounted to \$492,152 (\$379,482 last year), which was 30 per cent of the total export from this port. Miscellaneous skins, mats, and rugs valued at \$75,613 (\$76,808) came next in order of importance. The values of allied items were as follows: lamb skins, \$12,113 (\$4,274); goat skins, mats, and rugs, \$3,753 (\$3,045); fox skins, \$3,518 (nil); dressed goat skins, \$3,500 (\$7,439); and other skins, \$164.

Woollen carpets valued at \$47,148 (\$32,539) constituted the third most important item, and this was followed by several of small value such as brassware, \$7,763 (\$9,134); chinaware, \$5,781 (\$829); strawbraid, \$3,595 (\$868); textile articles, \$1,852 (\$191); medicinal substances and spices, \$1,585 (\$1,524); metals and metallic products, \$1,428 (\$502); curios and antiques, \$1,345 (\$3,165); and several miscellaneous articles of small value.

##### IMPORTS FROM CANADA

The most important items imported from Canada into Tientsin during the period under review were respectively railway sleepers, softwood timber, newsprint, sulphate of ammonia, and wheat flour. Canada's share of the sleeper imports amounted to Customs gold units 178,850, which, with the exception of a negligible value from all other countries, constituted the total brought into this port. As compared to last year's figures, when the Canadian share of g.u.9,115 was only 3 per cent of the total imports, the returns this year can be regarded as favourable. The same may be said of softwood timber, which amounted to g.u.124,374 this year as compared to g.u.110,079 last year, these figures being respectively 34 per cent and 12 per cent of the total imports of this commodity for the periods in question.

Newsprint valued at g.u.99,002 as compared with g.u.443,081 last year showed a large decrease in value. This was due in some measure to overstocking of the local market towards the end of 1935, which retarded imports in the early months of the present year. However, since then the Canadian mills have been unable to supply the local demand through lack of available stock, and as this condition will likely persist throughout the remainder of the year, Canada's 1936 share of this item will not only be drastically reduced but the headway made in sales during 1935 will likely be entirely lost. Although sulphate of ammonia is not credited to Canada in the trade figures, due apparently to an error, it is known that this article to a value of approximately g.u.78,750 was imported during this half-year. Comparative figures for last year are not available but the present ones constitute considerable improvement.

Wheat flour increased in value to g.u.21,990 as compared with g.u.10,473 last year, indicating a more competitive position for those grades which are saleable in North China. These mainly are clears and a small amount of bakers' patent. This year's figure also includes several shipments of low-grade straights, but as these were not successful in their object they are unlikely to recur. Of the total imports of g.u.231,924, Japan's share was 86 per cent and Canada's 9 per cent.

Among the remaining items of lesser importance the values in gold units were: animal products and groceries, 4,361 (2,432); medicinal substances and spices, 2,058 (4,104); and hides and leather, 1,190 (1,966).

## MORATORIUM IN THE FRENCH COLONY OF GUADELOUPE

Mr. W. F. Bull, Canadian Trade Commissioner in Port of Spain, Trinidad, writes under date October 7 that on October 6 the manager of the Royal Bank of Canada in Guadeloupe cabled the supervisor of the Royal Bank in Port of Spain as follows: "Moratorium has been declared on bills drawn payable in gold and on foreign currencies. Date of expiration undetermined."

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### United Kingdom Tariff Changes

The Additional Import Duties (No. 27) Order of the United Kingdom, effective September 22, 1936, increases from 20 per cent to 30 per cent ad valorem the import duty payable on granite dressed, polished, carved, or otherwise worked (other than setts and curbs or granite sawn or planed on one or two sides only but not further worked).

Exemption from the foregoing duty is accorded to granite which is a British Empire product within the meaning of the Imperial preference regulations.

### Importation of Fruit-case Timber Prohibited by New Zealand

The Canadian Trade Commissioner at Auckland, New Zealand, writing under date September 15, advises that an Order in Council has been passed prohibiting the importation into New Zealand of timber, rough sawn or dressed, cut to size, and intended for the manufacture of fruit cases, save with the consent of the Minister of Customs.

### New Zealand Customs Decisions

Recent decisions of the New Zealand Department of Customs as to the classification and rates of duty on articles regarding which question had been raised include the following:—

Bakelite window-frames, being ornamental frames for attachment to radio-cabinets, dutiable as unspecified cabinetwork at 15 per cent ad valorem under the British preferential tariff and 50 per cent under the general tariff.

The following are approved by the minister as machines or appliances for use in manufacturing industrial and similar processes, free of ordinary duty under the British preferential tariff and at 25 per cent ad valorem under the general tariff, viz:—

Automatic treadle-operated tackers or tack hammers; acetylene-gas generators having a carbide capacity of 6 pounds or over, and gas-purifiers suitable to such generators; pop safety valves for use on air receivers of compressed-air outfits and also suited for use with steam; gland type plug cocks of brass or other copper alloy for use with steam under working pressures of 50 pounds or over.

Plug cocks not being of gland type, for use with steam, are 25 per cent ad valorem under the British preferential tariff and 50 per cent under the general tariff.

Automatic hand-operated tackers or tack hammers, for tacking labels to cases, driving points in glazing, nailing beaver-board to walls, etc., are rated as artificers' tools, free of ordinary duty under the British preferential tariff and 25 per cent ad valorem under the general tariff.

Electrically heated ironing machines having rollers not exceeding 30 inches in length for use with power-driven washing machines, also clothes-washing machines for domestic use, hand or power operated, including wringers for attachment to power-driven machines, are 20 per cent ad valorem under the British preferential tariff and 45 per cent under the general tariff.

The following have been added to the list of articles, as approved by the minister, for the manufacture or repair of goods within New Zealand, admitted free of duty under both the British preferential and general tariffs:—

Braids or gimps for the manufacture of slippers; braid or tape of imitation straw for the manufacture of sandals or similar footwear; ethylene glycol to be used as a cellulose solvent in the manufacture of lacquers; linoleic acid for the manufacture of paints; naphthenic acid for the manufacture of articles approved by the minister; embossed damask tissue paper for the manufacture of paper serviettes.

Goods free of ordinary duty are subject to 3 per cent ad valorem primage duty. The British preferential tariff applies to Canadian goods. Goods from all countries outside the British Empire are subject to general tariff rates.

### Modifications in the New Zealand-Belgian Trade Agreement

C. M. CROFT, CANADIAN TRADE COMMISSIONER

Auckland, September 12, 1936.—The trade agreement between the Economic Union of Belgium and Luxemburg and the Dominion of New Zealand, which became effective in 1933, has been modified by mutual agreement, each country extending more tariff concessions to the other. The principal features of the original trade agreement were reviewed in *Commercial Intelligence Journal* No. 1563 (January 13, 1934).

Under the modification of the trade agreement, New Zealand will remit the surtax (22½ per cent of the duties) on a number of items from Belgium and Luxemburg, and admit some of them at reduced rates of duty. Provision has also been made, by Order in Council, to exempt from primage duty those classes of goods affected which are now admissible free of duty under the British preferential tariff.

#### SOME OF THE CHANGES

Items affected by the recent changes which are of interest to Canadian firms are as follows:—

*Maizena and Cornflour*.—Now free from Canada, formerly 3 per cent primage duty; new rate to Belgium ¾d. per pound, formerly 1d. per pound plus surtax (22½ per cent of duty).

*Belts and Belting n.e.i. for Driving Machinery; Conveyor Belts, etc.*—Primage duty removed on Canadian (and other Empire); rate to Belgium now 20 per cent ad valorem, formerly 25 per cent ad valorem plus surtax.

*Carbon and Similar Copying Paper*.—Change is removal of primage duty under British preferential tariff and of surtax on Belgian paper.

*Paper n.e.i.*—The outstanding class affected is newsprint, on which primage duty has been removed while Belgian paper will continue to pay 20 per cent ad valorem, but with no surtax. On paper n.e.i. in sheets less than 20 inches by 15 inches or the equivalent, or in rolls less than 10 inches wide, the surtax has been remitted on the Belgian paper with the rate of duty still 40 per cent ad valorem, while on similar Canadian paper the rate of duty is 20 per cent ad valorem with surtax (22½ per cent of duty). The actual effective rate of duty, taking into consideration the fact that duty is levied on the current domestic value increased by 10 per cent, and also including the surtax, on Canadian paper of this class remains at 26.95 per cent, whereas Belgian paper will now pay 44 per cent as against 53.9 per cent formerly.

*Electrical Machinery and Appliances.*—On commodities classed under this heading for tariff purposes, exclusive of batteries or cells (not including storage batteries), wireless broadcast receiving sets, and those not specified, the rate of duty to Belgium has been reduced from 25 per cent ad valorem plus surtax to 20 per cent ad valorem, while the primage duty has been removed under the British preferential tariff. Canadian batteries or cells continue to pay 15 per cent ad valorem plus surtax (an effective rate of 20.2 per cent), while the rate to Belgium has been reduced from 40 per cent ad valorem plus surtax (effective rate of 53.9 per cent) to 35 per cent (effective rate of 38.5 per cent). There has been no alteration in the rates on radio sets. Electrical machinery or appliances n.e.i. from Canada are still dutiable at 20 per cent plus surtax, while those from Belgium now pay 40 per cent as against the former rate of 45 per cent plus surtax.

*Machinery, Machines, Machine Tools, and Appliances.*—Under this tariff item are specified several classes of machinery, including anvils, forges, hearths, bellows, blowers and fans, vacuum cleaners, grinding machines, metal-working, wood-working, weighing machines, printing machines, etc. The rate of duty of 20 per cent ad valorem has been made applicable to all of these machines from Belgium (except sewing machines, which are already free of duty); formerly the rates of duty were 25 per cent ad valorem on all except hydro-extractors (50 per cent plus surtax); weighing machines, scales, and balances (45 per cent plus surtax), and printing machines (20 per cent plus surtax). These classes of machines are free of duty under the British preferential tariff and the primage duty has now been removed, except on sewing machines. Machinery, machines, machine tools, engines and appliances, as may be approved by the Minister of Customs, peculiar to use in manufacturing, industrial, and similar processes, are now exempt from primage duty under the British preferential tariff whereas the rate to Belgium has been reduced from 25 per cent ad valorem plus surtax to 20 per cent ad valorem.

*Metals.*—Under the heading of "metal" in the customs tariff appears a list of those included, which really embraces all classes. All of these except copper, iron, tin, and other metals (not lead) in billets, blooms, ingots or pigs, and gold, platinum, silver, or other precious or rare metals, are now exempt from primage duty under the British preferential tariff, while the surtax has been removed from imports from Belgium, but the rates of duty have not been altered.

*Nails or Tacks n.e.i.*—These are included under the heading of nails or tacks of copper, brass, and composition n.e.i.; nails or tacks n.e.i.; coopers' and similar hooks and tacks; staples; dog-spikes and deck-spikes. (Ordinary wire nails are not included here, but are referred to in the next item below.) Canada supplies some staples and dog-spikes as well as nails and tacks n.e.i. (particularly tacks). Surtax has been removed from these commodities from Belgium, while the primage duty has been lifted under the British preferential tariff, the rates of duty being unaltered—namely, free under the British preferential tariff and 20 per cent ad valorem to Belgium.

*Nails or Tacks, exceeding 1 Inch in Length, made from Iron Wire, whether Plain, Galvanized, or Cement-coated, n.e.i.*—The rates of duty have not been altered and stand at £2 per ton British preferential and at £4 per ton to Belgium; however, Canadian nails continue to pay the surtax, while surtax no longer applies to Belgian nails. Thus the duty and surtax on Canadian nails remains at £2 9s. per ton of 2,240 pounds, but on Belgian a reduction has been made from £4 18s. to £4 per ton.

*Pipes, Piping, Tubes, and Tubing.*—As shipments from Canada have been confined almost entirely to pipes, piping, tubes, tubing, and fittings therefor of brass, copper, and wrought iron (less than 4 inches or more than 9 inches in internal diameter) it is necessary here to refer only to these classes which come under the tariff sub-item of "all pipes, piping, tubes, and tubing, n.e.i." These are admitted free of duty under the British preferential tariff and the primage duty has been removed. The duty applicable to these commodities from Belgium remains at 20 per cent ad valorem but the surtax has been removed.

The modification of the trade agreement between Belgium and New Zealand, and also the exemption from primage duty of the goods specified above, became effective on September 1, 1936.

It should be noted that the benefits of the trade agreement with Belgium (including the recent modification) are extended to the following countries: Argentina, Austria, Brazil, China, Czechoslovakia, Egypt, Finland, Germany, Hungary, Italy, Japan, Norway, Spain, and Sweden.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCTOBER 13

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, October 13, and for the week ending Monday, October 5, 1936, with the official bank rate.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending October 5	Nominal Quotations in Montreal Week ending October 13	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1875	\$ .1875	3½
Belgium . . . . .	Belga	.1001	.1680	.1682	2
Bulgaria . . . . .	Lev	.0072	.0127	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0403	.0354	3
Denmark . . . . .	Krone	.2680	.2196	.2187	3½
Finland . . . . .	Markka	.0252	.0217	.0216	4
France . . . . .	Franc	.0392	.0467	.0466	2½
Germany . . . . .	Reichsmark	.2382	.4017	.4020	4
Great Britain . . . . .	Pound	4.8666	4.9175	4.9000	2
Greece . . . . .	Drachma	.0130	.0090	.0090	7
Holland . . . . .	Guilder	.4020	.5249	.5322	3
*Hungary . . . . .	Pengo	.1749	.2953	.2955	4
Italy . . . . .	Lira	.0526	.0526	.0526	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0229	.0229	5
Norway . . . . .	Krone	.2680	.2470	.2461	3½
Poland . . . . .	Zloty	.1122	.1882	.1882	5
Portugal . . . . .	Escudo	.0442	.0446	.0446	4½
Roumania . . . . .	Leu	.0060	.0073	.0074	4½
Spain . . . . .	Peseta	.1930	.....	.....	5
Sweden . . . . .	Krona	.2680	.2535	.2526	2½
Switzerland . . . . .	Franc	.1930	.2298	.2299	2
United States . . . . .	Dollar	1.0000	.9993	.9996	1½
Mexico . . . . .	Peso	.4985	.2771	.2774	4-5
Cuba . . . . .	Peso	1.0000	.9990	.9990	—
Guadeloupe . . . . .	Franc	.0392	.0467	.0466	—
Jamaica . . . . .	Pound	4.8666	4.9262	4.9097	—
Martinique . . . . .	Franc	.0392	.0467	.0466	—
Other British West Indies	Dollar	1.0138	1.0244	1.0208	—
Argentina . . . . .	Peso (Paper)	.4245	.3283	.3269	3½
		Unofficial	.2772	.2789	—
Brazil . . . . .	Milreis (Paper)	.1196	.0870	.0873	—
		Unofficial	.0585	.0584	—
British Guiana . . . . .	Dollar	1.0138	1.0244	1.0208	—
Chile . . . . .	Peso	.1217	.0517	.0517	4½
		Unofficial	.0417	.0417	—
Colombia . . . . .	Peso	.9733	.5550	.5688	4
Peru . . . . .	Sol	.2800	.2498	.2499	6
Venezuela . . . . .	Bolivar	.1930	.2498	.2499	—
Uruguay . . . . .	Peso	1.0342	.7978	.7977	—
South Africa . . . . .	Pound	4.8666	4.9112	4.8936	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.0362	5.0184	—
China (Shanghai) . . . . .	Dollar	.....	.2929	.2932	—
Hongkong . . . . .	Dollar	.....	.3047	.3029	—
India . . . . .	Rupee	.3650	.3717	.3700	3
Japan . . . . .	Yen	.4985	.2870	.2866	3.29
Java . . . . .	Guilder	.4020	.5278	.5343	—
Siam . . . . .	Baht (Tical)	.4424	.4472	.4489	—
Straits Settlements . . . . .	Dollar	.5678	.5773	.5747	—
Australia . . . . .	Pound	4.8666	3.9337	3.9198	—
New Zealand . . . . .	Pound	4.8666	3.9550	3.9514	2½

\* Unofficial: .1977

The Dominion Bureau of Statistics has supplied the following note:—

Subsequent to reports indicating a heavy movement of French and continental funds from London, the pound sterling weakened. Considerable activity on the part of British, French, and United States stabilization funds was suggested at this time but this was less apparent latterly. Around the middle of the week the pound appeared to have reached a resistance point of \$4.89 and from then onwards hovered around \$4.90. Several other currencies also strengthened, the French franc remaining in the neighbourhood of 4.67 cents and the Swiss franc at around 23.1 cents. On October 8 a 15 per cent devaluation of the Czechoslovakian crown was announced.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Kitchener, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Cheddar Cheese.....	663	Brussels, Belgium.....	Purchase.
Macaroni.....	664	Bristol, England.....	Agency.
Evaporated Milk in Tins.....	665	Swakopmund, South West Africa.	Agency.
Canned Peaches, Pears and Apricots.	666	Bristol, England.....	Agency.
Evaporated Apples (Apple Rings)	667	Bristol, England.....	Agency.
<b>Miscellaneous—</b>			
Fish Oil.....	668	Havana, Cuba.....	Agency.
Douglas Fir Plywood.....	669	Antwerp, Belgium.....	Purchase.
Fountain Pens; Pencils; Pen Nibs	670	Lodz, Poland.....	Purchase.
Varnish for Tins.....	671	Singapore, Straits Settlements.	Purchase and Agency.
Chemicals.....	672	Cape Town, South Africa..	Agency and Purchase.
Abrasive Paper, Wet or Dry (to be used in connection with spray painting).	673	Cape Town, South Africa..	Agency.

## CERTIFICATES OF ORIGIN FOR BRITISH PREFERENCES

Canadian exporters are reminded of the importance of supplying correct certificates of origin for goods entitled to preferential tariff treatment in Empire countries. The regulations to be observed vary enough to preclude use of uniform documentation for the different British markets. As regards the principal market, the United Kingdom, goods regarded as growth or produce require 100 per cent Empire content; optical goods and parts require 75 per cent; a selected list of manufactured goods (see F.T.D. Leaflet No. 95) require 50 per cent; for other manufactured goods 25 per cent Empire content suffices. A small number of ingredients must qualify independently for preference. Each "article" is subject to the preference test separately, so that when machinery, etc., is shipped to the United Kingdom knocked-down each separate assembly or part must qualify in itself to be entitled to preference. Notice 27A of the London Custom House, issued in March, 1935, prescribes appropriate forms as follows: D, 119 (Sale), for growth or produce; E, 120 (Sale), for manufactured goods; F, 121 (Sale), for manufactured tobaccos and sugars; FF, 122 (Sale), a supporting certificate for ingredients.

## PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

### From Montreal

*To Liverpool.*—Duchess of Atholl, Oct. 23; Duchess of Bedford, Oct. 30; Duchess of Richmond, Nov. 6; Duchess of York, Nov. 14—all Canadian Pacific; Andania, Oct. 23; Antonia, Nov. 6—both Cunard-White Star Line.

*To London.*—Beaverford, Oct. 23; Beaverbrae, Oct. 30; Beaverdale, Nov. 6; Beaverburn, Nov. 13; Beaverhill, Nov. 20—all Canadian Pacific; Ausonia, Oct. 23; Alaunia, Oct. 30; Ascania, Nov. 6; Aurania, Nov. 13—all Cunard-White Star Line.

*To Manchester.*—Manchester Citizen, Oct. 22; Manchester Port, Oct. 29; Manchester Producer, Nov. 5; Manchester Commerce, Nov. 12; Manchester Division, Nov. 19; Manchester Regiment, Nov. 25—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Dakotian, Nov. 4; Norwegian, Nov. 21—both Cunard-Donaldson and Dominion Lines.

*To Southampton.*—Montrose, Canadian Pacific, Oct. 31.

*To Cardiff, Bristol and Swansea.*—Boston City, Oct. 26; New York City, Nov. 12—both Bristol City Line.

*To Glasgow.*—Sulairia, Oct. 23; Letitia, Oct. 30; Delilian, Nov. 6; Athenia, Nov. 13—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnross (calls at Dundee), Oct. 22; Cairnvalona, Oct. 29; Cairnesk, Nov. 5; Cairnglen (calls at Dundee), Nov. 19—all Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kelso, Nov. 3; Kyno, Nov. 26—both Ellerman's Wilson Line.

*To Dublin and Belfast.*—Kenbane Head, Oct. 28; Melmore Head, Nov. 5; Fanad Head, Nov. 18—all Head Line (cargo accepted for Londonderry and Cork).

*To Antwerp and Havre.*—Alaska, Oct. 30; Kings County, Nov. 14; Brant County, Nov. 27—all County Line; Beaverbrae, Oct. 30; Montrose, Oct. 31; Beaverburn, Nov. 13—all Canadian Pacific (do not call at Havre).

*To Rotterdam.*—Columbia, Nov. 3; Grey County, Nov. 20; Hada County, Nov. 28—all County Line.

*To Hamburg.*—Luebeck (calls at Bremen), Hamburg-America Line, Oct. 30; Beaverdale, Canadian Pacific, Nov. 6; Frankfurt (calls at Bremen), North German Lloyd Line, Nov. 27.

*To Copenhagen, Gothenburg and Baltic Ports.*—Nanking, Swedish-America-Mexico Line, Oct. 27.

*To Norwegian Ports.*—Topdalsfjord, Norwegian-America Line, second half of October.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Akre, Gardiaz Line, Nov. 16.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Leno, Oct. 20; Capo Olmo, Nov. 11—both Capo Line.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Trojan, Oct. 20; Lotos, Nov. 6—both Shaw SS. Co. (call at Bay Roberts, Carbonear and Port Union but not at St. Pierre); Belle Isle, Newfoundland-Canada SS. Co., Oct. 23 and Nov. 6.

*To Cornerbrook, Nfld.*—North Voyageur, Oct. 19; New Northland, Oct. 27—both Clarke SS. Co.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Colborne (calls at St. Georges, Bermuda), Oct. 29; Chomedy, Nov. 12—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Cathcart (does not call at Hamilton or Nassau), Oct. 23; Lady Rodney, Oct. 28—both Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Maravi, Ocean Dominion SS. Corp., Oct. 26.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Port Alma, Oct. 30; City of Canton, Nov. 21—both Montreal Australia New Zealand Line.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Tekoa, Oct. 21; Canadian Constructor, Nov. 28—both Montreal Australia New Zealand Line.

*To Manila, Hongkong, Shanghai, Yokohama and Dairen.*—City of Kimberley, Canada Far East Line, Oct. 30; Myrmidon (does not call at Yokohama or Dairen), Blue Funnel Line, Nov. 14.

*To Freetown (Sierra Leone), Walvis Bay, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.*—Calumet, Oct. 25; Kepwickhall (does not call at Sierra Leone, Walvis Bay, Lourenco Marques or Beira), Nov. 5—both Elder Dempster Lines Ltd.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Tokio, Oct. 28; City of Ripon, Nov. 28—both Ellerman & Bucknall SS. Co.

*To Belawan, Deli, Penang, Port Swettingham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—A steamer, Java-New York Line, October.

*To Santos and Buenos Aires.*—Rigel (calls at Rio de Janeiro), International Freighting Line, Nov. 10; Nordkap (calls at Montevideo but not at Santos), Canada-South America Line, Nov. 15.

### From Quebec

*To Southampton.*—Empress of Britain, Canadian Pacific, Oct. 24 and Nov. 7.

### From Halifax

*To Liverpool.*—Manchester Brigade, Oct. 23; Manchester Exporter, Nov. 10; Manchester Hero, Dec. 2—all Manchester Line; Nova Scotia, Oct. 27; Newfoundland, Nov. 14—both Furness Line.

*To London and Hamburg.*—Artigas, Oct. 29; Quaker City, Nov. 12; Capulin, Nov. 26—all American Hampton Roads (call at Hull, Leith and Dundee).

*To Manchester.*—Manchester Port, Nov. 1; Manchester Exporter, Nov. 10; Manchester Commerce, Nov. 15; Manchester Division, Nov. 22; Manchester Regiment, Nov. 29—all Manchester Line.

*To Cardiff, Bristol and Swansea.*—Boston City, Oct. 29; New York City, Nov. 15—both Bristol City Line.

*To Aberdeen and Hull.*—Cavallo, Ellerman's Wilson Line, Nov. 1.

*To Newcastle and Leith.*—Cairnvalona, Nov. 1; Cairnesk, Nov. 8—both Cairn-Thomson Line.

*To Copenhagen and Baltic Ports.*—Pilsudski, Oct. 19; Batory, Nov. 6—both Gdynia-America Line (call at Gdynia).

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Townsend, Oct. 19; Fort Amherst, Oct. 26—both Furness-Red Cross Line; Kongsbaug, Newfoundland-Canada SS. Ltd., Oct. 19 and Nov. 2; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Oct. 21 and Nov. 4; Nova Scotia (does not call at St. Pierre), Furness Line, Oct. 27.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, Oct. 22; Lady Nelson, Nov. 5; Lady Hawkins, Nov. 19—all Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Maravi, Ocean Dominion Line, Oct. 31.

*To Santiago (Cuba) and Kingston (Jamaica).*—Ciss, Oct. 21; Kirsten B, Nov. 4—both Pickford & Black Ltd.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Cornwallis, Oct. 19; Colborne (calls at St. Georges, Bermuda), Nov. 2; Chomedy, Nov. 16—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Kingston (Jamaica) and Belize (British Honduras).*—Cathcart, Canadian National, Oct. 26.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Javanese Prince, Oct. 24; Silverpine, Nov. 1; Silvercypress, Nov. 7; Siamese Prince, Nov. 21—all Silver-Prince Line.

### From Saint John

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Oct. 28; Lady Hawkins, Nov. 11 both Canadian National.

*To Kingston and Jamaican Outports.*—A steamer, United Fruit Line, Oct. 23 and Nov. 6.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—A steamer, American and Indian Line, October.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Heian Maru, Oct. 31; Hikawa Maru, Nov. 18; Hiye Maru, Dec. 5—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Russia (calls Nagasaki), Oct. 21; Empress of Japan (calls Honolulu), Nov. 14; Empress of Asia (calls Nagasaki), Nov. 27; Empress of Canada (calls Honolulu), Dec. 12—all Canadian Pacific; Ixion, Oct. 25; Talhybius, Nov. 22—both Blue Funnel Line (call at Miike but not at Manila).

*To Shanghai.*—Dunelmia, Ocean Shipping Co., late October.

*To Tsingtao and Dairen.*—Harpasa, Ocean Shipping Co., early November.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan, Deli, Colombo and Bombay.*—Tosari, Oct. 31; Silveray, Nov. 30—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Aorangi, Nov. 4; Niagara, Dec. 2—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Bear (calls at Lyttelton and Dunedin if sufficient cargo offered), Oceanic and Oriental Navigation Co., Nov. 15.

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Limerick, Canadian-Australasian Line, Nov. 20.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Tolken, Empire Shipping Co., Nov. 12.

*To Sydney, Melbourne and Adelaide.*—Wearpool, November; Uganda, November; Induna, November—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Dinteldyk, Oct. 31; Drechtdyk (calls at Glasgow), Nov. 14; Nebraska, Nov. 28; Damsterdyk (calls at Glasgow), Dec. 12—all Holland-America Line.

*To London, Liverpool and Cardiff.*—A steamer, Reardon Smith Line, November.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., October.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—San Jose, Empire Shipping Co., Oct. 26.

*To Scandinavian Ports.*—Nordstjernan, Oct. 25; Annie Johnson, Nov. 9; Argentina, Nov. 19—all Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Cellina, Empire Shipping Co., Nov. 15.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., October.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Siantar, Nov. 5; Silverpalm, Dec. 5—both Silver-Java Pacific Line.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Evanger, Oct. 27; Hoyanger, Nov. 27—both Empire Shipping Co.

### From New Westminster

*To London and Liverpool.*—Tacoma Star, Oct. 20; Fresno Star, Nov. 10; Gaelic Star, Nov. 25; Ionic Star, Dec. 7—all American Mail Line (call at Glasgow, Rotterdam, and Newcastle); Selma City (calls at Avonmouth), B. W. Greer & Son Ltd., Oct. 21; Pacific Reliance (calls at Glasgow and Rotterdam), Furness Line Ltd., Oct. 22; Moveria, Oct. 25; Parthenia, Nov. 15; Corrientes, Nov. 28; Gracia, Dec. 12—all Balfour Guthrie & Co. (call at Glasgow); Dinteldyk, Oct. 31; Drechtdyk, Nov. 15; Nictheroy, Nov. 29; Damsterdyk, Dec. 12—all Royal Mail Lines Ltd. (call at Glasgow, Southampton and Rotterdam); John Baake (calls at Glasgow, Manchester and Belfast but not at London), Canada Shipping Co., Nov. 8; Lauritz Swenson (calls at Hull and Oslo), Anglo-Canadian Shipping Co., Nov. 19.

*To United Kingdom Ports.*—Lina L. D., Anglo-Canadian Shipping Co., Oct. 25.

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, B. W. Greer & Son Ltd., Nov. 10.

*To Australian Ports.*—Anglo African, Anglo-Canadian Shipping Co., Oct. 25; Uganda, Oct. 25; Naumea, Oct. 25—both Canadian Transport Co.; Limerick (calls at New Zealand ports), Canadian-Australasian Line, Nov. 15.

*To South African Ports.*—Siantar, Dingwall Cotts & Co., Nov. 15.

*To Manila and Iloilo.*—Silver Ray, late November; Hopecrest, late December—both Dingwall Cotts Co.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*  
*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. (Territory covers Central China, North China, and Manchuria.) *Cable address, Canadian.*

### Cuba

E. L. McCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building. Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancocomac.*

### Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

### Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

### India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

### Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

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**CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.**

**Japan**

*Tokyo:* J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

*Kobe:* R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

**Mexico**

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

**Netherlands**

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

**New Zealand**

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

**Norway**

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

**Panama**

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

**Peru**

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

**South Africa**

*Cape Town:* G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

*Johannesburg:* J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

**United Kingdom**

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand. W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London:* W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* H. R. POUSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

**United States**

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

# COMMERCIAL INTELLIGENCE JOURNAL

Vol. LV

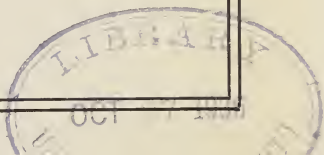
Ottawa, October 24, 1936

No. 1708



Canadian Exhibit, Building Trades Exhibition, Olympia, 1936.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER



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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LV

October 24, 1936

No. 1708

## TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in Canada in the interest of Canadian trade with their respective territories: Mr. G. B. Johnson, Glasgow; Mr. Frederick Palmer, Bristol (whose territory includes the West of England, South Wales, and South Midlands); Mr. L. M. Cosgrave, Melbourne; and Mr. R. P. Bower, who was Acting Trade Commissioner at Batavia, Java.

Their itineraries are as follows:—

Mr. Johnson

Ottawa and district ..	Oct. 26 to 29
Belleville and district ..	Oct. 30 and 31
Toronto and district...	Nov. 2 to 18
Hamilton and district ..	Nov. 19 and 20
Brantford, Simcoe. . .	Nov. 21
St. Catharines. . . . .	Nov. 23
Niagara Falls, Fort Erie.	Nov. 24
London, Woodstock ..	Nov. 25 and 26

Windsor and district..	Nov. 27 and 28
Stratford and district	Nov. 30 and Dec. 1
Kitchener and district	Dec. 2 to 4
Guelph .. . . .	Dec. 5
Brampton .. . . .	Dec. 5
Montreal and district.	Dec. 7 to 22
Granby .. . . .	Dec. 23

Mr. Palmer

Montreal. . . . .	Oct. 26 to 29
Waterloo . . . . .	Oct. 30
Granby . . . . .	Oct. 31
Ottawa . . . . .	Nov. 2
Winnipeg . . . . .	Nov. 4 and 5
Regina . . . . .	Nov. 7
Calgary . . . . .	Nov. 9
Vancouver, New West- minster . . . . .	Nov. 11 to 18
Victoria and district. . . . .	Nov. 19 and 20

Edmonton	Nov. 23
Saskatoon	Nov. 24
Winnipeg	Nov. 25
Ottawa	Nov. 27
Fredericton	Nov. 30
St. John	Dec. 1 and 2
Yarmouth	Dec. 3
Bridgetown and Kentville	Dec. 4 and 5
Halifax	Dec. 7

Mr. Cosgrave

Vancouver . . . . . Oct. 26 to Nov. 3

Mr. Bower

Hamilton, Winona. . . . .	Oct. 26	and 27
Brantford. . . . .	Oct. 27	
Thorold, St. Catharines. . . . .	Oct. 28	
Kitchener . . . . .	Oct. 29	
Galt, Preston, Hespeler . . . . .	Oct. 29	
Guelph . . . . .	Oct. 30	
Stratford . . . . .	Oct. 31	

London . . . . .	Nov. 2
Windsor and district. . .	Nov. 3
Winnipeg . . . . .	Nov. 5 to 7
Calgary . . . . .	Nov. 12
Kelowna, Vernon . . . .	Nov. 14
Vancouver . . . . .	Nov. 16 to 28
Victoria . . . . .	Dec. 1

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Winnipeg, Edmonton, Vancouver, and Victoria, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

**CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT  
EFFECTIVE FROM JANUARY 1, 1936; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF SEPTEMBER AND NINE MONTHS ENDED  
SEPTEMBER 30, 1935 AND 1936)**

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS DIVISION)

Commodities	Month of September				Nine months ending September				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
AGRICULTURAL AND VEGETABLE PRODUCTS										
Fruits—										
Apples, green or ripe.....	2,271	5,264	2,141	5,468	2,302	5,446	2,405	6,675	25c. per bu. 50 lbs.	15c. per bu. 50 lbs.
Strawberries, fresh.....	30	3	12,266	981	250,303	23,152	690,268	57,662	14c. per lb.	1c. per lb.
Grain products—										
Bran, shorts and middlings.....	273,257	205,997	421,723	492,667	2,384,261	2,615,721	2,300,118	2,207,344	107% ad val.	107% ad val.
Cereal foods, prepared, all kinds.....		5,308		185,651		39,353		231,017	20% ad val.	15% ad val.
Screenings.....	102,204	15,128	196,082	140,842	690,550	255,315	669,229	309,464	10% ad val.	10% ad val.
Hay.....	93	771	12,503	85,607	68,397	679,611	24,659	138,124	\$5 per ton (2,000 lbs.)	\$3 per ton (2,000 lbs.)
Maple sugar.....	24,123	2,952	1,256,912	184,121	1,563,913	193,710	5,993,387	938,516	6c. per lb.	4c. per lb.
Seeds—										
Clover seed, alfalfa.....		6	154	1,352	1,049	12,987	1,160	11,928	8c. per lb.	4c. per lb.
Clover seed, alsike.....			6,614	60,578	12	88	7,944	71,681	8c. per lb.	4c. per lb.
Grass seed.....	5,898	9,037	11,023	13,188	71,841	423,125	68,320	75,773	2c. per lb.	1c. per lb. (mainly timothy).
Vegetables—										
Certified seed potatoes (a).....			2,001	1,940					75c. per 100 lbs.	45c. per 100 lbs., Mar. 1 to Nov. 30, if certified seed; 60c. per 100 lbs., Dec. 1 to last day of Feb., if certified seed; 75c. per 100 lbs. on imports of certified seed in excess of 750,000 bu. during each twelve-month period, beginning Dec. 1, in any year.
Potatoes, n.o.p. (b).....	152	71			232,305	57,981	654,820	624,069		
Turnips.....			929	753					75c. per 100 lbs.	75c. per 100 lbs.
Whiskey.....	132,619	39,153	243,284	71,693	985,248	228,194	1,449,708	452,984	25c. per 100 lbs.	124c. per 100 lbs.
	146,353	863,780	270,791	1,044,218	1,268,327	7,172,633	2,907,153	13,601,329	\$5 per pt. gal.	\$2.50 per pt. gal. if aged in wooden containers for at least four years; \$5 per pt. gal. if otherwise.
ANIMALS AND ANIMAL PRODUCTS										
Animals, living—										
Dairy cattle—										
Weighing 175 to 700 lbs. (a).....	No.		90	3,620	4,390	273,924	6,176	372,821	21c. per lb., 175 to 700 lbs.	21c. per lb., 175 to 700 lbs.
Weighing over 700 lbs. (a).....	No.		820	52,366					3c. per lb. if over 700 lbs.	11c. per lb. if over 700 lbs.
									3c. per lb. if over 700 lbs. on imports in excess of 20,000 head during any calendar year.	

a) Not separately shown prior to April 1, 1936. (b) Includes "certified seed potatoes" prior to April 1, 1936

Commodities	Month of September				Nine months ended September				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
<b>Meats—</b>										
Poultry, dressed or undressed.....	Lb.	8,260	\$ 1,677	515	\$ 144	\$ 16,625	172,988	\$ 43,581	10c. per lb.	6c. per lb., if chickens and guineas; 10c. per lb., if other poultry.
<b>Milk products—</b>										
Cheese.....	Cwt.	267	5,513	15,081	214,549	50,827	97,540	1,324,290	7c. per lb., but not less than 25% ad val., if cheddar cheese in original tins; 7c. per lb., but not less than 35% ad val., if other kinds of cheese.	5c. per lb., but not less than 25% ad val., if cheddar cheese in original tins; 7c. per lb., but not less than 35% ad val., if other kinds of cheese.
<b>Cream.....</b>	Gal.			3,936	5,234	7	12,030	16,469	55-6/10c. per gal.	35c. per gal.; 55-6/10c. per gal. on imports in excess of 1,500,000 gals. during any calendar year.
<b>Whale oil.....</b>	Gal.	44,948	11,016	120,822	26,106	96,235	509,668	118,754	5c. per gal.	24c. per gal.
<b>Wood, Wood Products and Paper</b>										
<b>Wood and products—</b>										
Shingle bolts of pine or cedar.....	Cord		12	5	20	439	96	395	Free.	Free.
Slave and other bolts, n.o.p.....	Cord					1,328		32	10% ad val.	10% ad val.
Firewood.....	M	6,340	28,773	7,928	38,187	175,463	41,336	191,099	Free.	Free.
Laths.....	M	17,905	50,316	21,336	82,124	424,816	186,237	614,994	Free.	Free.
Logs.....	M ft.	29,006	291,655	7,535	68,447	818,256	84,000	524,672	Free.	Free.
Masts and spars.....						63		20	\$1 per M ft. b.m., if fir; spruce, pine, hemlock or larch; free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.
<b>Pickets.....</b>	M	688	4,733	1,194	7,345	43,183	5,642	38,146	Free.	Free.
<b>Piling.....</b>	Lin. ft.			54,435	2,986	249,861	393,737	27,022	\$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.
<b>Planks and boards—</b>										
Flooring of hardwood.....	M ft.	41	1,796	52	2,816	18,820	381	18,943	4% ad val.	4% ad val.
Planks and boards, softwood.....	M ft.	30,695	692,223	38,723	972,644	5,688,997	373,970	8,331,159	\$1 per M ft. b.m. and 3% per M ft. b.m. Revenue Tax if fir, spruce, pine, hemlock or larch; (a) kinds of wood, but subject to \$3 Revenue Tax per M ft. b.m.	\$1.50 per M ft. b.m. and 3% per M ft. b.m. Revenue Tax if fir, spruce, pine, hemlock or larch; (a) kinds of wood, but subject to \$3 Revenue Tax per M ft. b.m.
<b>Planks and boards, hardwood.....</b>	M ft.	1,968	67,477	4,936	172,892	417,669	26,034	910,188	Free, but subject to \$3 per M ft. b.m. Revenue Tax.	Free, but subject to \$1.50 Revenue Tax per M ft. b.m.
<b>Poles—</b>										
Telegraph and telephone.....	No.	14,050	42,829	17,090	56,439	438,737	179,599	500,445	Free.	Free.
Other poles.....	No.		21,430		9,886	39,902		62,139	Free.	Free.
Posts, fence.....	No.	21,043	1,741	33,532	3,238	290,781	388,605	35,801	Free.	Free.
Pulpwood.....	Cord	128,711	942,375	143,264	1,037,775	733,390	791,509	5,833,056	Free.	Free.
Railroad ties.....	No.	41,473	28,067	40,709	43,835	77,136	183,922	159,345	Free.	Free.
Shingles.....	Square	316,559	920,608	257,871	634,698	5,015,694	1,631,606	4,159,421	Free.	Free.
Staves and headings.....			1,559		2,627	31,755		12,194	Free, if staves; 33 1/3% ad val. if headings.	Free, if staves; 33 1/3% ad val. if headings.

Timber, square, softwood.....	M ft.	63	1,348	482	4,708	1,757	33,059	4,434	67,539 \$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; 163 free, if other kinds. Free.
Timber, square, hardwood.....	M ft.								19,553,938 Free.
Wood, pulp.....	Cwt.								50,282,993 Free.
Paper—Newsprint.....	Cwt.								Free.
Iron and Iron Products									
Farm implements—									
Cultivators.....	No.	135	11,376	5	142	1,285	111,722	1,394	103,799 Free.
Drills.....	No.	79	11,344	55	6,010	368	46,469	450	48,157 Free.
Harrows and parts.....	No.		58		3,962		14,946		47,073 Free.
Harvesters and binders.....	No.	2	307	12	1,702	784	145,434	723	140,561 Free.
Hay rakes.....	No.				138		17,952	159	5,264 Free.
Mowers and reapers.....	No.			3	179	1,551	98,455	514	29,884 Free.
Ploughs and parts.....	No.				49,003		285,436		354,719 Free.
Reaper threshers.....	No.	1	47,414	1	1,150	71	53,275	164	181,129 Free.
Parts of farm implements, n.o.p.....	No.		41,858		5,194		275,637		395,263 Free.
Ferro-silicon.....	Ton	124	6,053	4	211	5,124	107,713	3,309	63,333 2c. per lb. on silicon content.
Ferro-manganese and other ferro-alloys n.o.p.....	Ton	1,800	48,211	2,719	62,523	20,835	534,107	32,530	815,383 1½c. per lb. on manganese content.
Skates.....	Pair	18,579	13,258	45,537	27,374	83,634	59,434	178,338	109,974 20% ad val.
Non-ferrous Metals and Products									
Cobalt in ore.....	Cwt.			120	7,192	260	9,202	1,033	59,570 Free.
Nickel in matte or speiss.....	Cwt.	10,294	185,302	15,753	283,691	64,038	1,152,559	92,466	1,664,251 Free.
Nickel in oxide.....	Cwt.	1,782	34,978	2,761	57,795	5,545	110,631	14,698	296,403 Free.
Non-metallic Minerals and Products									
Abrasives, artificial, crude.....	Cwt.	111,416	307,142	130,634	352,443	955,113	2,320,216	1,069,772	2,783,539 Free.
Asbestos.....	Ton	4,730	237,511	6,200	323,964	39,740	904,282	53,605	2,812,259 Free.
Asbestos sand and waste.....	Ton	9,615	143,517	15,577	246,605	61,030	947,818	96,933	1,555,344 Free.
Feldspar.....	Ton	615	4,055	1,824	13,190	6,973	40,327	8,200	56,057 50c. per ton, if crude.
Gypsum, crude.....	Ton	56,652	69,224	56,437	65,808	239,494	283,824	303,974	359,567 Free.
Lime.....	Ton	11,286	6,461	24,813	11,561	80,673	39,559	171,696	72,153 Various.
Talc.....	Cwt.	13,928	7,551	16,671	8,165	112,451	57,568	130,969	65,228 35% ad val.
Chemicals and Allied Products									
Acetic acid.....	Cwt.	34,390	205,402	35,979	192,503	259,434	1,531,461	218,547	1,175,200 2c. per lb., if over 65%.
Cyanamid.....	Cwt.	88,939	85,206	114,069	108,712	1,670,300	1,770,638	1,795,458	1,844,493 Free.
Sulphuric acid.....	Cwt.	4,002	2,286	2,445	1,344	13,959	8,947	14,292	9,763 Free.
Miscellaneous Commodities									
Organs.....	No.	2	105	2	880	8	29,930	4	7,673 35% ad val.
Total exports of above commodities.....			14,119,144		10,255,711		120,933,082		153,746,789
Total domestic exports to United States.....			38,603,286		35,120,638		254,361,857		275,872,916

(a) Reduced rates not applicable to imports of Douglas fir or Western hemlock in any calendar year in excess of an aggregate quantity of 250,000,000 feet, board measure.

## FOREIGN TRADE OF THE UNITED STATES, JANUARY TO JUNE

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York City, October 10, 1936.—The foreign trade of the United States made very encouraging progress during the January-June period of 1936, reflecting improved business conditions both at home and abroad. For the first time in ten years imports of merchandise exceeded exports from the United States. The increase in the import trade was due to heavy purchases of raw materials, liquor, and a number of important tropical and other foodstuffs.

### RECIPROCAL TRADE AGREEMENTS

A part of the increase in the world trade of this country may be attributed to the various reciprocal trade agreements that the United States has been making with various foreign countries. In the first six months of the year trade treaties with the following countries came into operation: Canada, January 1; Brazil, January 1; Netherlands, February 1; Belgium, May 1; and France, June 15. There is no doubt that the trade treaties with Canada and Brazil have been to the benefit of both the export and import trade. The agreement with Canada, in particular, has resulted in a gain of exports of finished products from the United States to Canada, and at the same time the United States imports of liquors, cattle, and lumber have shown decided increases.

Total United States exports for the first six months of 1936 amounted to \$1,154,141,000, an increase of 12·7 per cent over the value of \$1,024,111,000 in the corresponding period of 1935. The value of imports for consumption in the United States for the six months was \$1,152,017,000, compared with \$984,351,000 for the like period of 1935, an increase of 17 per cent. Thus the total trade for the first half of 1936 amounted to \$2,306,158,000, a gain of 14·8 per cent, as against \$2,008,462,000 in 1935.

General imports of the United States—that is imports entered for immediate consumption plus those going into warehouses—amounted to \$1,163,152,000 and exceeded the value of total exports by \$9,011,000. If this amount is added to the excess of imports of gold and silver, \$626,298,000, the United States “visible” import excess of merchandise, gold and silver for the first six months of 1936, amounts to \$635,309,000, as against a “visible” import excess for the January-June period of 1935 of \$853,512,000.

### GOLD AND SILVER MOVEMENTS

Exports of gold for the first six months of 1936 totalled \$26,423,000 compared with \$1,226,000 for 1935, and were shipped chiefly to France, the United Kingdom, and the Netherlands. Contrasted to this are the large gold imports, valued at \$536,692,000 during the six-month period. However, gold imports were below the amount of \$805,389,000 imported in the like period of 1935. The majority of imports came from France (\$341,231,000); the Netherlands, British India, Canada, Mexico, the United Kingdom, and Australia supplied the remainder.

Silver exports were small, amounting to \$1,566,000 compared with \$12,232,000 at the end of June, 1935. Imports of silver were valued at \$117,594,000 as against \$91,226,000 last year.

### PRINCIPAL MARKETS

United States exports to the six grand divisions of the world registered increases for the January-June period of 1936 over the same period of 1935. The gain in this trade ranged from 2 per cent for Asia to 23·9 per cent for Africa. The following table shows the value of United States exports to various British Empire countries and other principal foreign countries for the first six months of 1936 as against the corresponding period of 1935:—

*United States Exports to British Empire Countries*

	Jan.-June, 1936	Jan.-June, 1935	Inc. or Dec.
	\$	\$	Per Cent
Total to all countries . . . . .	1,154,141,000	1,024,111,000	+ 12.7
Canada* . . . . .	182,773,000	158,529,000	+ 15.4
United Kingdom . . . . .	187,872,000	159,880,000	+ 17.5
Irish Free State . . . . .	2,781,000	2,942,000	- 5.5
Australia . . . . .	32,578,000	27,249,000	+ 19.6
New Zealand . . . . .	9,262,000	6,665,000	+ 36.2
Union of South Africa . . . . .	32,480,000	24,899,000	+ 30.4
British India . . . . .	12,900,000	15,636,000	- 17.5

*United States Exports to Other Principal Foreign Countries*

	Jan.-June, 1936	Jan.-June, 1935	Inc. or Dec.
	\$	\$	Per Cent
Argentina . . . . .	25,041,000	23,668,000	+ 5.8
Brazil* . . . . .	24,209,000	21,866,000	+ 10.7
France* . . . . .	55,350,000	49,168,000	+ 12.6
Germany . . . . .	47,357,000	33,671,000	+ 39.1
Belgium* . . . . .	27,290,000	26,819,000	+ 1.8
Netherlands* . . . . .	25,524,000	24,344,000	+ 6.2
Italy . . . . .	33,706,000	33,282,000	+ 1.2
Soviet Russia . . . . .	20,822,000	9,538,000	+ 118.3
Japan . . . . .	93,311,000	92,327,000	+ 1.1
China . . . . .	20,990,000	22,668,000	- 7.4

\* Countries having reciprocal trade agreements with the United States.

Exports from the United States to the principal British Empire countries amounted to \$475,000,000, and accounted for more than 41 per cent of the exports as against 40.6 per cent for the January-June period of 1935. This trade was 16 per cent greater than in 1935. The United Kingdom continued as the leading market for the United States with \$187,872,000, or 17.5 per cent more than the corresponding period of 1935. Exports to Canada, the second best customer of the United States, were valued at \$182,773,000, an increase of 15.4 per cent. During the second quarter of 1936 the United States sales to Canada totalled \$103,153,000 as against \$85,586,000 to the United Kingdom. Exports to Australia increased 19.6 per cent, to South Africa 30.4 per cent, and to New Zealand 36.2 per cent. On the other hand, export trade with British India declined by 17.5 per cent, and with the Irish Free State by 5.5 per cent.

United States exports to other principal foreign countries all showed increases ranging from 1.1 per cent to Japan to 118.3 per cent for Soviet Russia. China, the chief exception, showed a decrease of 7.4 per cent.

## EXPORTS OF PRINCIPAL COMMODITIES

The following table gives the values of the twenty chief exports from the United States for the January-June period of 1936, compared with the like period of 1935:—

*Twenty Chief Exports According to Value*

Commodity and Rank*	Jan.-June, 1936	Jan.-June, 1935	Gain or Loss
	\$	\$	Per Cent
Unmanufactured cotton (13.6) . . . . .	154,082,000	145,592,000	+ 5.8
Automobiles, parts and accessories, except tires (11.7) . . . . .	132,820,000	123,447,000	+ 7.6
Leaf tobacco (3.8) . . . . .	43,474,000	36,476,000	+ 19.2
Electrical machinery and apparatus (3.8) . .	43,470,000	36,335,000	+ 19.6
Lubricating oil (2.9) . . . . .	32,422,000	28,969,000	+ 11.9
Gasolene, naphtha, and other light products (2.6) . . . . .	29,832,000	26,130,000	+ 14.2
Crude petroleum (2.5) . . . . .	28,786,000	27,065,000	+ 6.4
Iron and steel plates, sheets, skelp and strips (2.1) . . . . .	24,045,000	14,025,000	+ 71.4
Coal and coke (2.1) . . . . .	23,284,000	24,083,000	- 3.3
Power-driven metal-working machinery (1.9)	21,917,000	11,114,000	+ 97.2
Agricultural machinery and implements (1.9)	21,271,000	14,414,000	+ 47.6

\* Figures in parentheses after name of commodity indicate percentage of total value of domestic exports.

*Twenty Chief Exports According to Value—Concluded*

Commodity and Rank*	Jan.-June, 1936 \$	Jan.-June, 1935 \$	Gain or Loss Per Cent
Boards, planks and scantlings . . . . .	19,257,000	16,509,000	+ 16.6
Refined copper in ingots, bars and other forms (1.6) . . . . .	17,651,000	19,365,000	— 8.9
Gas oil and fuel oil (1.5) . . . . .	17,520,000	11,274,000	+ 55.4
Iron and steel scrap (1.0) . . . . .	11,857,000	11,258,000	+ 5.3
Cotton cloth, duck, and tire fabric (1.0) . .	11,680,000	10,705,000	+ 9.1
Industrial chemicals (1.0) . . . . .	11,327,000	11,754,000	— 3.6
Undressed and dressed furs (1) . . . . .	11,047,000	10,828,000	+ 2.0
Photographic and projections . . . . .	10,269,000	8,191,000	+ 25.4
Fertilizers . . . . .	9,802,000	5,109,000	+ 91.9

\* Figures in parentheses after name of commodity indicate percentage of total value of domestic exports.

The general increase in world trade for the first half of this year brought with it a further demand for products of the United States. Both finished and semi-finished manufactures recorded gains in quantity of 16.3 per cent and 8.8 per cent respectively over 1935 exports for the same period. Crude materials and crude foodstuffs registered increases of 9.9 per cent and 2.5 per cent respectively. The only group to show a decline was manufactured foodstuffs and beverages, the decrease being about 7.4 per cent.

Shipments abroad of unmanufactured cotton for the January-June period of 1936 totalled 1,297,642,000 pounds and were sold at an average export price of 11.9 cents per pound compared with 12.3 cents per pound last year. The total value of these exports, constituting 13.6 per cent of the export trade, was \$154,-082,000 or 5.8 per cent above the 1935 total.

Exports of automobiles, parts, and accessories constituted 11.7 per cent of the United States exports and were valued at \$132,820,000, an increase of 7.6 per cent over 1935. Shipments amounted to 101,271 passenger cars and exceeded last year's exports by 6 per cent, and were the largest since 1930. The sale abroad of 57,932 motor trucks and buses showed an increase of 25.1 per cent. The export of automobile engines, the largest since 1930, were 130.1 per cent greater. Automobile tires recorded a decline of 4.5 per cent.

An indicator of recovery abroad was the increased foreign demand for United States machinery, exports of which for the first half of 1936 increased by \$37,-936,000, or 30 per cent. This is the third successive year of heavy gains in machinery sales abroad. Electrical machinery and apparatus, valued at \$43,-470,000, increased by 19.6 per cent. Agricultural machinery and implements advanced 47.6 per cent, while industrial machinery exports registered the heaviest increase in value of \$21,500,000 or 37.7 per cent.

United States exports of plates, sheets, skelp, and strips were the largest since 1930 and were especially heavy in the second quarter. The total exports of 694,462,000 pounds valued at \$24,045,000 for the first six months of 1936 recorded a gain of 57.9 per cent in quantity and 71.4 per cent in value.

Crude petroleum continued to be exported in record quantities, with 22,621,000 barrels valued at \$28,786,000, as against 22,432,000 barrels at \$27,-065,000 for the first six months of 1935.

Led by heavy exports of fertilizers, chemicals and related products showed a gain in value of 22 per cent. Exports of industrial chemicals, however, fell off. The export values of lumber were higher for 1936 than for 1935, as were exports of agricultural products.

## UNITED STATES IMPORT TRADE

The total values of imports into the United States from the six grand divisions for the first half of 1936 recorded increases ranging from 1.4 per cent for South America to 38.2 per cent for Oceania. The following table shows the United States imports from British Empire countries and other principal foreign countries for the January-June period of 1936 as compared with the corresponding period of 1935:—

*United States Imports from British Empire Countries*

	Jan.-June, 1936 \$	Jan.-June, 1935 \$	Inc. or Dec. Per Cent
Total from all countries .. . . .	1,152,017,000	984,351,000	+ 17.0
Canada* .. . . .	159,767,000	130,105,000	+ 22.8
United Kingdom .. . . .	92,757,000	69,204,000	+ 34.0
British Malaya .. . . .	74,798,000	68,799,000	+ 8.7
Australia .. . . .	10,591,000	5,638,000	+ 87.9
New Zealand .. . . .	5,073,000	5,206,000	- 2.5
Union of South Africa .. . . .	3,753,000	1,867,000	+101.0
British India .. . . .	35,811,000	29,562,000	+ 21.1

*United States Imports from Other Principal Foreign Countries*

	Jan.-June, 1936 \$	Jan.-June, 1935 \$	Inc. or Dec. Per Cent
Argentina .. . . .	27,062,000	30,676,000	- 11.8
Brazil* .. . . .	49,306,000	47,395,000	+ 4.0
France* .. . . .	28,680,000	27,472,000	+ 4.4
Germany .. . . .	35,816,000	36,817,000	- 2.7
Belgium* .. . . .	26,036,000	17,295,000	+ 50.5
Netherlands* .. . . .	20,505,000	17,871,000	+ 14.7
Italy .. . . .	18,102,000	16,899,000	+ 7.1
Soviet Russia .. . . .	11,905,000	7,895,000	+ 40.5
Japan .. . . .	78,898,000	68,259,000	+ 15.6
China .. . . .	43,149,000	30,630,000	+ 40.9

\* Countries having reciprocal trade agreements with the United States.

Imports for consumption from the chief British Empire countries in the January-June period of 1936 amounted to \$402,572,000 or 35 per cent of the total imports, a gain of 22 per cent. New Zealand was the only country to show a decline. Imports from Canada, the leading supplier for the United States, amounted to £159,767,000, an increase of 22.8 per cent. Some of this gain is a result of the Canada-United States Trade Agreement. Imports from the United Kingdom totalling \$92,757,000 made an even greater gain, 34 per cent. Other noteworthy Empire increases were as follows: British Malaya, 8.7 per cent; British India, 21.1 per cent; Australia, 87.9 per cent; and the Union of South Africa, 101 per cent.

France is credited with \$28,680,000 worth of imports for the first six months of 1936, an increase of 4.4 per cent. The trade agreement with the Netherlands, which took effect on February 1, 1936, very likely accounted for some of the increase of 14.7 per cent in United States imports from that country. Imports from the Netherlands were valued at \$20,505,000, compared with \$17,871,000 for the like 1935 period. Imports from Soviet Russia increased by 40.5 per cent, from Italy by 7.1 per cent, and from Japan and China by 15.6 per cent and 40.9 per cent respectively.

Two of the principal foreign countries showed declines in their shipments to the United States. Imports from Germany for the January-June period of 1936 totalled \$35,816,000, a decrease of 2.7 per cent. Imports from Argentina, amounting to \$27,062,000, showed the largest decrease, 11.8 per cent.

## IMPORTS OF PRINCIPAL COMMODITIES

The following table shows the values of the chief imports into the United States for the January-June period of 1936 as against the corresponding period of 1935:—

*Twenty Chief Imports According to Value*

Commodity and Rank*	Jan.-June, 1936 \$	Jan.-June, 1935 \$	Gain or Loss Per Cent
Cane sugar (8.7) .. . . .	100,397,000	73,496,000	+ 36.6
Coffee (6.3) .. . . .	72,531,000	73,306,000	- 1.1
Crude rubber and lastex (5.9) .. . . .	68,338,000	61,613,000	+ 10.9
Raw silk (3.9) .. . . .	44,385,000	40,624,000	+ 9.3
Newsprint paper (3.8) .. . . .	44,318,000	38,083,000	+ 16.4
Undressed and dressed furs (3.7) .. . . .	42,409,000	24,305,000	+ 74.5

\* Figures in parentheses after name of commodity indicate percentage of total value of imports.

*Twenty Chief Imports According to Value—Concluded*

Commodity and Rank*	Jan.-June, 1936	Jan.-June, 1935	Gain or Loss
	\$	\$	Per Cent
Tin bars, blocks, pigs, etc. (3.4) . . . . .	38,895,000	36,670,000	+ 6.1
Wood-pulp (3.2) . . . . .	37,180,000	29,867,000	+ 24.5
Raw hides and skins, except furs (2.5) . . . . .	29,354,000	20,204,000	+ 45.3
Distilled liquors (2.3) . . . . .	26,005,000	15,320,000	+ 69.7
Unmanufactured wool (2.2) . . . . .	25,593,000	10,783,000	+137.3
Burlaps (1.5) . . . . .	17,171,000	15,861,000	+ 8.3
Wheat (1.4) . . . . .	16,304,000	9,284,000	+ 75.6
Cocoa, or cacao, beans (1.3) . . . . .	15,011,000	15,435,000	- 2.7
Bananas (1.2) . . . . .	13,916,000	14,539,000	- 4.3
Unmanufactured tobacco (1.2) . . . . .	13,798,000	11,714,000	+ 17.8
Fish (1.2) . . . . .	13,534,000	11,961,000	+ 13.2
Copper ore, concentrates, and regulus (copper content) (1.1) . . . . .	13,137,000	13,462,000	- 2.4
Diamonds, including industrial (1.1) . . . . .	13,039,000	10,761,000	+ 21.2
Meat and meat products (1.1) . . . . .	12,779,000	10,942,000	+ 16.8
Cattle** . . . . .	8,691,000	6,369,000	+ 36.5
Sawed boards and other lumber, including sawed cabinet woods** . . . . .	7,805,000	4,244,000	+ 83.9

\* Figures in parentheses after name of a commodity indicate percentage of total value of imports.

\*\* Cattle and sawed boards and other lumber, including sawed cabinet woods, are not included among the first twenty United States imports.

Agricultural products constituted 54.8 per cent of total United States imports, a somewhat smaller proportion than in 1935. The major value increases in the agricultural imports were made by the following products: sugar, liquors, furs, wool, cotton, rubber, silk, sisal, jute, inedible vegetable oils, hides and skins, tobacco, wheat, and cattle. The heaviest increases among non-agricultural imports were recorded by wood-pulp, newsprint, lumber, diamonds, tin, nickel, manganese ore, and textile manufactures.

During the first half of 1936 the United States imported 3,900,523,000 pounds of cane sugar, about three-fifths of the import quota for the entire year, valued at \$100,397,000, as against 3,376,218,000 pounds at \$73,496,000 for the like period of 1935. Coffee imports showed a decline—\$72,531,000 or 1.1 per cent below the 1935 total of \$73,306,000. Although the amount of crude rubber imports were down, the value increased from \$61,613,000 for the January-June period of 1935 to \$68,388,000, due to an increase in the import price of crude rubber of 3 cents per pound.

A record amount of standard newsprint paper, totalling 2,546,192,000 pounds valued at \$44,318,000, was imported, an increase of 15.7 per cent in quantity and 16.4 per cent in value. United States imports of wood-pulp for the first half of 1936 amounted to 1,061,000 tons valued at \$37,180,000, the largest quantity imported in the history of the United States, and showing a gain of 26.8 per cent in volume and 24.5 per cent in value over the corresponding period of 1936.

Imports of dressed and undressed furs registered one of the largest gains among the United States imports for the first half of the year. These were valued at \$42,409,000, a gain of 74.5 per cent. Imports of raw skins and hides amounted to \$29,354,000, a gain of 45.3 per cent.

The reduction of the duty on certain classes of distilled liquors through the Canada-United States Trade Agreement resulted in greatly increased imports: the six months' total amounted to 6,066,000 gallons valued at \$26,005,000, a gain of 84.4 per cent in volume and 69.7 per cent in value.

Imports of farm products that last year were brought in to supplement the drought-reduced supplies returned in most cases to a more normal basis, including corn, barley, oats, and rye. However, wheat, cattle, and meats showed substantial increases during the first half of 1936. United States imports of wheat amounted to 19,806,000 bushels, a record quantity, valued at \$16,304,000, an increase of 62.6 per cent in quantity and 75.6 per cent in value. Imports of cattle from Canada and Mexico, attracted by higher prices, and from Canada by

the reduced rates of duty under the Canada-United States Trade Agreement, resulted in a total of 285,000 head valued at \$8,691,000 being imported in the first half of 1936, a gain of 23.4 per cent in quantity and 36.5 per cent in value. The receipts of meat and meat products, chiefly canned meats, were valued at \$12,779,000, an increase of 16.8 per cent. The following agricultural imports declined heavily during the first six months of this year: molasses, corn, barley, oats, rye, wheat by-product feeds, barley malt, cottonseed oil, peanut oil, butter, and tallow.

United States imports of unmanufactured wool at \$25,593,000 were 137.3 per cent above the 1935 value, 54.7 per cent above the 1935 quantity, and the largest since 1929. Unmanufactured cotton imports, mostly from Egypt, amounted to 53,696,000 pounds valued at \$6,184,000, and showed an increase of 108 per cent by weight and 67.5 per cent by value.

The importations of sawed boards and other lumber, including sawed cabinet woods, were valued at \$7,805,000 for the January-June period of 1936, an increase of 83.9 per cent. Some of this increase may be attributed to the lower tariffs under the Canada-United States Trade Agreement.

The following metals made noteworthy increases in the United States imports during the first half of 1936 over 1935: iron ore and concentrates, manganese ore, nickel and nickel alloys.

Among decreases in imports the following might be mentioned: fuel oil, fertilizers, copper ore and concentrates, sesame seed, cotton gloves and mittens, and shingles.

The above report is based on information received from the Foreign Commerce Department, Chamber of Commerce of the United States, and on official statistics published by the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce.

## CENTRAL CHINA RAW SILK INDUSTRY

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

Shanghai, September 15, 1936.—From the earliest recorded times China has been growing and manufacturing silk. In more recent times, as merchants from Western countries came to China to trade, silk has continued to be one of the leading exports. However, since the entry of Japan into the field of silk production by the use of more scientific methods, although China's raw silk exports have shown a fluctuating increase in volume from the beginning of this century up to 1930 and silk was the leading item in value among China's exports during this period, this country has not kept pace with Japan in catering to the foreign demand for raw silk, with the result that the latter country for a number of years now has been the leading supplier of this product to world markets and is now producing many times as much raw silk as China.

In spite of the strides made by Japan in this trade since the beginning of the twentieth century, raw silk remains one of China's most important export products, and in recent years a serious effort has been made to introduce improved methods of sericulture, the results of which will be referred to later in this report as far as Central China is concerned.

### VARIETIES OF SILK

Broadly speaking, Chinese raw silk may be divided into three main classes, namely, raw white silk, raw yellow silk, and wild silk.

#### RAW WHITE SILK

Raw white silk, which constitutes the greater part of the silk produced in this country, is obtained chiefly from the provinces of Chekiang, Kiangsu, and

Anhwei in Central China and from Kwantung Province in South China, the product from the latter district being known as Canton silk.

Owing to the difference in climate and nature of the soil, each section produces its own distinctive type of raw silk. In this connection it is recognized that the best qualities of raw white silk come from Kiangsu and Chekiang provinces. In these two districts univoltine, or single-brooded, worms are mainly employed, which produce only one crop of cocoons each season, although in certain temperatures it is said that the univoltine worm will turn out a second crop. In Kwantung Province, in the south of China, owing to the hotter and more humid temperatures prevailing during a longer period of the year, multivoltine worms, which are capable of producing several crops of cocoons in each season, are employed. The thread, however, obtained from cocoons reared from multivoltine worms is not considered to be equal to the best quality produced in the Chekiang and Kiangsu provinces.

*Chief Producing Provinces.*—Chekiang in Central China is the largest silk-producing province in the country and the combined production of Chekiang and Kiangsu in 1935 represented two-thirds of the total volume of all types of raw silk produced in China last year. For a number of years back by far the greater proportion of the white silk produced in Chekiang and Kiangsu for export has been steam-filatured, the amount of silk reeled by hand on the farms being now of minor importance.

*Tsatlee Silk.*—Ordinary raw white silk reeled by hand by native primitive methods is commonly referred to as "tsatlee silk." This term, according to one authority, strictly speaking applies to any coarse white unfilatured silk, and this class of silk is usually described for customs purposes as "raw silk not rereeled and not steam-filatured." Because of the lack of care taken by the farmers in the primitive hand-reeling process, which is often not too clean, tsatlee silk is not usually uniform in texture and is sometimes rather dirty. However, the tsatlee silk thread, being reeled from fresh cocoons as distinct from dried cocoons, has a lustre and quality not easily equalled by steam-filature reeling, although, of course, as it is inclined to be uneven it brings a very much lower price.

In order to improve the uniformity of native-reeled silk for export markets, it is frequently put through a rereeling process and made up into skeins of regular counts, the foreign matter and rough material being removed. The resultant product is usually described as "tsatlee rereeled silk."

In recent years, however, the quantity of native-reeled or rereeled silk exported abroad has been extremely small by comparison with steam-filatured raw white silk.

*Principal Foreign Markets.*—The principal foreign markets for raw white silk from Central China are the United States, France, and Great Britain, which latter country has in recent years been taking an increasing interest in Chinese silks.

#### RAW YELLOW SILK

Raw yellow silk is produced principally in the provinces of Szechwan, in the west of China, and Shantung, in the north. The greater proportion exported in recent years has been hand-reeled, although considerable quantities of steam-filatured yellow silk have also been going abroad. Although yellow silk is exported in small quantities to France and the United States, the chief markets for this type of silk are British India, the Near East, and certain countries in Northern Africa.

#### RAW WILD SILK

Chinese wild silk or "tussah," as it is commonly known in the trade, comes chiefly from Shantung Province in the north. Whereas ordinary silk is obtained from the cocoons of silk-worms that feed on the leaves of wild mulberry trees,

wild silk is produced by worms that feed on the leaves of scrub-oak trees. Wild silk, which is an inferior product, is brown in colour, stiffer and coarser than ordinary silk, and more difficult to dye or bleach. The chief domestic outlet for wild silk is in the manufacture of pongee, which material is much cheaper than ordinary silk. Wild silk is also exported abroad, where it is used for various industrial purposes. The chief consuming foreign markets in recent years for this class of silk have been France, Italy, and Japan.

## WASTE SILK

Waste silk is looked upon by Shanghai exporters as an entirely different trade to raw silk, and many of the firms engaged in the latter business do not take part in the waste silk trade. However, this by-product of the silk industry, which includes the husks brushed off after the cocoons have been placed in hot water, the innermost layer of the cocoon, that is, the part which is left after the usable filament has been reeled off, and reeled tailings, fluff, loose fibre, etc., amounts to a considerable volume, and it is exported abroad to be used in the manufacture of waste silk yarn. Waste silk is usually put up in press-packed bales containing 3 piculs net weight (one picul equals 133½ pounds). In recent years the chief markets have been Japan, Italy, Great Britain, and the United States.

## EXPORTS OF RAW SILK

A general idea of the relative importance of the various classes of raw silk, together with an indication of the principal consuming countries and the proportion of the trade in each variety exported from Shanghai, may be gathered from the following table showing exports from the whole of China proper for the calendar years 1934 and 1935 respectively:—

NOTE.—One kilogram equals 2.2 pounds. The average value of the Chinese dollar during the period 1934-1935 was U.S.\$0.35.

	1934		1935	
	Kilos	\$	Kilos	\$
Silk, raw, reeled from doupions . . . . .	123,000	485,926	142,812	564,192
British India (inc. Burma) . . . . .	114,900	453,078	107,788	394,077
Exported from Shanghai . . . . .	82,900	360,580	104,527	461,886
Silk, raw, white, not re-reeled and not steam-filature . . . . .	91,200	510,980	104,234	560,485
British India (inc. Burma) . . . . .	27,200	150,092	42,231	225,032
Egypt (inc. Anglo-Egyptian Sudan) . . . . .	24,200	142,211	26,780	139,491
Morocco . . . . .	5,800	30,290	9,675	49,763
Netherlands India . . . . .	16,100	86,683	8,569	44,949
Exported from Shanghai . . . . .	47,500	265,203	88,942	476,106
Silk, raw, white, re-reeled . . . . .	95,700	703,595	227,224	1,495,833
British India (inc. Burma) . . . . .	19,700	120,999	15,178	97,438
France . . . . .	15,700	110,183	33,806	226,845
Great Britain . . . . .	16,100	110,120	23,047	186,281
Italy . . . . .	8,200	57,286	7,919	42,472
Netherlands India . . . . .	12,500	129,829	8,801	49,898
Exported from Shanghai . . . . .	76,500	520,219	193,988	1,300,243
Silk, raw, white, steam-filature . . . . .	2,183,300	14,336,577	3,219,244	26,567,764
British India (inc. Burma) <sup>1</sup> . . . . .	352,600	1,964,750	44,829	319,060
Egypt (inc. Anglo-Egyptian Sudan) . . . . .	10,600	73,365	10,310	49,758
France . . . . .	566,700	4,111,968	1,191,072	9,778,552
French Indo-China <sup>1</sup> . . . . .	462,400	2,496,976	435,605	2,598,299
Great Britain . . . . .	96,200	834,684	129,992	1,169,686
Hongkong . . . . .	227,600	1,304,648	18,035	107,548
United States . . . . .	428,900	3,218,127	1,320,647	11,975,760
Canada . . . . .	1,800	13,350	37,460	329,989
Exported from Shanghai . . . . .	663,400	5,651,273	2,236,237	20,149,325
Silk, raw, wild, filature . . . . .	109,200	523,221	156,294	713,889
France . . . . .	89,800	426,084	72,501	336,230
Japan . . . . .	8,800	44,773	49,811	228,580
Exported from Shanghai . . . . .	109,200	523,221	155,974	712,033
Silk, raw, wild, not filature . . . . .	.....	.....	1,426	4,610
Exported from Shanghai . . . . .	.....	.....	1,426	4,610

<sup>1</sup> Mainly Canton silks.

*Exports of Raw Silk—Concluded*

	1934		1935	
	Kilos	\$	Kilos	\$
Silk, raw, yellow, not re-reeled and not steam-filature.. . . .	437,600	3,768,590	528,044	3,799,699
British India (inc. Burma) . . . . .	310,300	2,843,747	398,819	2,945,228
Egypt (inc. Anglo-Egyptian Sudan).. . . .	60,000	458,769	96,675	642,039
France . . . . .	21,900	161,900	4,901	34,136
French Indo-China . . . . .	10,800	48,538	1,665	9,905
French possessions in India . . . . .	900	4,002	1,786	8,951
Siam . . . . .	21,600	151,873	117	585
Exported from Shanghai . . . . .	198,700	1,425,530	208,745	1,240,172
Silk, raw, yellow, re-reeled . . . . .	15,100	137,813	6,123	37,002
British India (inc. Burma) . . . . .	8,500	81,295	3,421	20,857
Egypt (inc. Anglo-Egyptian Sudan).. . . .	5,200	46,453	1,442	10,245
Exported from Shanghai.. . . .	15,000	136,913	6,142	37,447
Silk, raw, yellow, steam-filature.. . . .	242,600	3,052,448	228,973	1,935,539
British India (inc. Burma) . . . . .	63,900	814,891	9,748	81,809
France.. . . .	91,000	1,135,605	142,888	1,254,605
United States . . . . .	44,200	666,468	40,599	296,574
Exported from Shanghai . . . . .	203,700	2,658,859	199,765	1,686,012

The total value of raw silk, silk waste, and cocoon strippings exported during 1935 amounted to Chinese \$40,530,187 as compared with \$28,754,576 during the previous year, this representing an increase of 40 per cent. Exports of raw silk, exclusive of waste and cocoon strippings, amounted during 1935 to Chinese \$35,679,013, showing an increase of 51 per cent over exports during 1934, which were valued at \$23,519,150.

## POSITION OF SHANGHAI IN THE SILK TRADE

Shanghai and Canton are the two chief export centres for Chinese raw silks. Exports from Canton are pretty well confined to silk produced in Kwantung Province, whereas Shanghai handles not only the output of the leading producing provinces of Chekiang, Kiangsu, and Anhwei in the Yangtze Valley, but also serves as the main shipping centre for the yellow silk of Szechwan Province in western China and the yellow and tussah silks of Shantung in the north. The silk trades of Shanghai and Canton are entirely distinct and have little or no relation to one another.

Taking the exports of the last two calendar years as recorded above as a basis, it is found that Shanghai accounted for 49 per cent of Chinese raw silks in 1934 and 73 per cent in 1935.

## EXPORTERS' ASSOCIATION

There are approximately fifty recognized foreign and Chinese firms engaged in the export of raw silk in this city, most of whom are members of the Shanghai Raw Silk Exporters' Association. The export season for the Shanghai silk trade extends from June 1 to May 31 of the following year.

## SHANGHAI AS A FILATURE CENTRE

In addition to handling the export of raw silk for Central China, Shanghai is also the leading filature centre. The method of reeling silk with machinery is of comparatively recent origin in China, the first filature in Shanghai being established in 1862, and as late as 1901 there were only twenty-three filatures in this city.

Since then the number of modern steam filatures in Shanghai and various other centres in the silk areas of Kiangsu and Chekiang has grown steadily, and, while reliable figures are difficult to obtain on this subject, it is estimated that by 1930 (which seems to have marked the peak year of the silk industry of China) there were understood to be some 105 filatures in Shanghai alone, using over 14,700 bassines; and by this time the total number of filatures in Shanghai and the other centres of Kiangsu and Chekiang had reached 180.

## GOVERNMENT AID TO FILATURES

The falling off in demand, which was serious enough in itself, resulted in over-production in Japan. This adversely affected the prices obtainable abroad for raw silks generally—on markets already depressed—added to which increasing competition from rayon created such a serious situation that during 1931 a great number of filatures in Central China were forced to close down and, following an appeal from the Shanghai Silk Filature Owners' Association, the Ministry of Industry of the Nanking Government arranged a loan in the form of Government bonds to distribute relief among the filatures.

## EFFECT OF DISTURBED POLITICAL CONDITIONS

During September of the same year the "Mukden incident" created additional difficulties for the silk industry of Central China. In this connection it should be explained that Japan absorbs normally a large quantity of the waste silk and cocoon strippings produced by filatures in Central China, but the anti-Japanese boycott resulting from the "Mukden incident" had the effect of temporarily closing the Japanese market to these by-products, the sale of which helps to reduce overhead costs. Early in 1932, when actual fighting broke out in Shanghai, apart from the disruption of operations several filatures in the Chapei district were seriously damaged. By this time the demand in the United States silk market had fallen off to an even greater extent with the deepening of the depression in that country, and competition from Japanese silk and rayon was being even more keenly felt.

## ABOLITION OF EXPORT DUTIES AND SURTAXES

In an effort to afford relief, the Central Government of Nanking abolished in May, 1932, all export duties and surtaxes on raw silk, and, with the co-operation of the banks, arranged in the same year another loan, along somewhat similar lines to that granted in 1931, to enable a subsidy to be given to silk and cocoon merchants to assist them to carry on. While this assistance did bring about some relief, the depression in the silk industry continued almost unabated during the following two years.

## RECENT SIGNS OF IMPROVEMENT

It will be observed from the foregoing tables that the season just closed on May 31, 1936, witnessed a very substantial improvement in shipments over the previous twelve-month period, and, while the total number of bales was still far short of the 1930-31 season, there are various indications which suggest that the raw silk trade of Central China is at least undergoing a modest revival following an improvement in demand in the leading silk-consuming markets.

In addition to a large increase in production which took place in 1935, the price of Chinese raw silk rose considerably. Prices rose from Chinese \$400 to \$460 per picul in the third quarter of the year and during the last three months they averaged around \$720 for high-grade white steam-filature silk, which figure was ruling at the close of the 1935-36 season. The improvement in prices which took place during the third quarter was due to a better demand from abroad, the subsequent rise in prices being the result of the depreciation in the Chinese dollar which took place last November when China adopted a managed currency system. An additional factor assisting the sale of Chinese silk abroad during part of the season just closed was the imposition of sanctions against Italy, which resulted in a considerable amount of business from the British market going to China during the period of sanctions instead of to Italy, as would normally have been the case.

## PROSPECTS FOR THIS SEASON

According to recent reports, the spring cocoon crop has made quite satisfactory progress. The consensus of opinion seems to be that this year's spring output in the two provinces of Kiangsu and Chekiang will probably exceed last year's production by anywhere from 40 to 50 per cent. One experienced Shanghai firm estimates that there should be available for export this season anywhere from 25 to 30 per cent more raw silk than during the 1935-36 period.

It is interesting to note in this connection that the domestic silk-weaving industry of Shanghai has been absorbing in recent years increasing quantities of raw silk and frequently paying higher prices than could be obtained abroad. The explanation is found in the expansion which has taken place in the production of ladies' lingerie at Shanghai, a considerable proportion of which output has been exported to foreign markets.

## IMPROVEMENT IN SERICULTURE

With a view to lending aid directed to the further improvement of sericulture in China—steps had been taken as early as 1918 to distribute disease-free seed—the National Economic Council of the Nanking Government organized a Sericulture Commission in 1933, and, as a first step, established an experimental station at Nanking for the purpose of discovering which among the many varieties of Chinese eggs would produce the best thread. The work of this station, which commenced less than three years ago, has already produced considerable results.

Owing to the preference in the world market for white instead of coloured silk, the station has devoted its work to the improvement of natural white varieties, and especially to the formation of new white varieties and crossings. Several suitable breeds have been found and others are in course of preparation, the majority being derived exclusively from Chinese varieties, although a few come from European sources. The thread produced from several of the new breeds is reported to have an average length of between 1,100 and 1,200 metres for each cocoon, the maximum length being 1,555 metres. The size of thread obtainable from the new breeds is also understood to be satisfactory, ranging from deniers 1,928 to a maximum of 2,219.

Prior to 1930 the testing of raw silk was carried on by an American private organization which operated quite efficiently but lacked the necessary authority to impose reforms in the general conduct of the trade. In 1930 a Bureau of Inspection and Testing of Raw Silk was established at Shanghai by the Ministry of Industry of the Nanking Government. Regulations were put into effect on August 1, 1936, making it compulsory for all white steam-filature silk to be tested for quality by this bureau before being exported from Shanghai. The quality tests are for size, fineness, cleanness, neatness, strength, and winding.

## RAW SILK IMPORTS INTO CANADA

Imports of raw silk into Canada in the fiscal year ended March 31, 1935, totalled 2,692,693 pounds valued at \$3,837,406 compared with 2,505,200 pounds valued at \$4,534,182 in 1934. These are almost entirely entered through the United States. Direct imports from China amounted to 8,059 pounds (\$9,595) in 1935 compared with 42,940 pounds (\$86,813) in the preceding fiscal year. A review of the figures for recent years suggests that most consumers in Canada presumably find it more convenient to buy in New York, from which centre they can no doubt obtain deliveries in small quantities from stocks on hand at very short notice. On the other hand, it is apparently worth the while of one or two Canadian consumers to periodically arrange for direct shipments from Shanghai into Canada, even although the business may be transacted through the New York agents of the exporters concerned. In the opinion of one of the more important

silk exporters of Shanghai, a Canadian buyer should be able to effect a definite saving in price by purchasing on this market instead of through New York.

The exporting firm in question are anxious to enter the Canadian market on a direct basis and indicated a desire to be put in touch with any Canadian buyers seriously interested in forming a direct contact with the Shanghai market. Any Canadian firms wishing to enter into preliminary negotiations with this firm are invited to communicate with the Canadian Trade Commissioner at Shanghai.

METHODS OF SHIPMENT

The bulk of the raw silk from China and Japan on reaching the Pacific Coast used to be railed across the North American Continent to New York by special silk trains, and Canadian railroads obtained a good share of this traffic due to the excellent steamer and rail services provided. Competition by Japanese lines, however, has altered this situation, and the heaviest proportion of silk has for a number of years past been going to the New York market via the Panama Canal.

JAPANESE WHEAT AND FLOUR SITUATION

J. A. LANGLEY, COMMERCIAL SECRETARY

WHEAT

Tokyo, August 28, 1936.—Domestic wheat quotations continue firm, probably due to an anticipated lower crop than that of last year, while in the face of rising foreign markets imported wheat continues to sell slightly under that of Japanese origin. According to the last official forecast of grain crop conditions for 1936, it is estimated that the wheat harvest this year will be 5·1 per cent lower than the actual harvest of the previous year, but if compared with the average crop for the last five years, it is expected that the wheat production will show an increase of 14·5 per cent.

IMPORTS

Imports of wheat for the first six months of 1936 when compared with the same period of last year showed a decline of 19·4 per cent in quantity and 10·2 per cent in value. Shipments from Australia fell off by 24 per cent in quantity and by 12·9 per cent in value, and those from the United States by 59 per cent in quantity and by 46·2 per cent in value. Shipments from Canada increased by 14·3 per cent in quantity and by 7·3 per cent in value, and those from other countries, principally from Manchukuo, by about ten times. On June 25 last the Japanese authorities invoked the Trade Protection Law against Australia, so that the effects of this action are not disclosed in the present figures. It is of interest, however, to note that shipments from Australia during May and June when compared with the same months of the previous year showed marked declines, while on the other hand wheat purchased in Canada increased. It is anticipated in the trade that shipments from Canada will continue to increase: the estimated wheat crop in Manchuria is placed at 974,658 metric tons as against 1,005,246 metric tons during the previous growing season.

Imports of Wheat into Japan

	Jan.-June, 1935	Jan.-June, 1936
	Bushels	Bushels
Total .. . . .	9,496,621	7,651,178
Australia .. . . .	7,464,629	5,676,537
Canada .. . . .	1,579,380	1,806,035
United States.. . . .	13,611	5,595
China .. . . .	.....	3,133
Argentina .. . . .	423,434	.....
Other .. . . .	15,567	159,878

## WHEAT FLOUR

Along with other commodities, wheat flour continues strong on the domestic market, but due to the high price of domestic wheat and curtailed export markets, milling companies, especially those smaller concerns who buy on a hand-to-mouth basis, affirm that they are operating at a very small profit. Current reports are that such large manufacturers as the Nisshin and Nippon flour-milling companies have large stocks of Australian wheat on hand, and therefore can continue to operate for some time without feeling the upward movement in world wheat prices. During the January-to-June period under review Nisshin's "Bamboo" brand fluctuated between 3.75 and 4.17 yen per sack of 49 pounds, while Nippon's "Crane" brand moved between 3.73 yen and 4.15 yen per sack.

Exports of wheat flour during the first six months of 1936 when compared with the same period of the previous year declined by 53.1 per cent in quantity and by 46.5 per cent in value, due to a falling off in the demand from Manchuria for Japanese flour. Shipments to the Kwantung Province decreased by 64.8 per cent and those to Manchukuo by 55.3 per cent. However, exports to other countries made considerable improvement over those of the year before.

*Exports of Wheat Flour from Japan*

	Jan.-June, 1935 Sacks of 49 Lbs.	Jan.-June, 1936 Sacks of 49 Lbs.
Total . . . . .	7,537,298	3,531,608
Kwantung Province . . . . .	4,408,908	1,551,309
Manchukuo . . . . .	2,890,887	1,290,767
China . . . . .	37,314	221,200
Philippine Islands . . . . .	149,623	210,068
Dutch India . . . . .	6,375	13,430
Straits Settlements . . . . .	3,985	13,146
Other . . . . .	40,206	231,688

Imports of wheat flour during the period under review amounted to 397,674 sacks valued at 1,371,005 yen as against 29,325 sacks valued at 95,626 yen last year. This large increase in imports must be due mainly to the fact that the foreign trade returns of Japan prior to July, 1935, did not show goods imported in bond, while such merchandise is now included in the returns as having been imported. Although details of the countries of origin are not available, it is considered that of the total quantity imported Canada supplied 60 per cent, while the balance is shared by Australia and the United States.

Wheat flour production for the first six months of 1936 show that 17,517,000 49-pound sacks were manufactured, which is 11 per cent less than in the previous period.

## JAPANESE PRODUCTION AND EXPORTS OF RAYON TISSUES

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, September 1, 1936.—The Japan Federation of Export Silk and Rayon Textile Associations imposed during the first six months of the present year a 30 per cent curtailment quota on the production of rayon yarns, but from figures just made available, in spite of this a 32 per cent increase in production has taken place over the same period of 1935, when a 20 per cent curtailment program was in effect. The manufacture of 100 denier yarn increased by 50.2 per cent, of 120 denier by 36.4 per cent, and that over 200 denier by 77 per cent; while the only one to show a decrease was 150 denier, which fell off 4.6 per cent. Production figures are given in the following table:—

*Production of Rayon Yarns in Japan*

	Jan.-June, 1935 100-lb. Cases	Jan.-June, 1936 100-lb. Cases
Under 100 denier . . . . .	14,169	21,284
120 denier . . . . .	662,904	904,003
150 denier . . . . .	174,007	165,983
Over 200 denier . . . . .	71,863	127,168
Total . . . . .	922,943	1,218,438

Spot quotations for standard yarn (120 denier) run from 61 to 65 yen per case of 100 pounds as against 58 yen during June and 60 to 65 yen per case during the same period of 1935. Current reports indicate that in spite of increased pulp prices, the cost of production is being considerably reduced by the leading manufacturers by means of closer co-operation with chemical and electric-power producing companies.

Imports of rayon yarns for the first six months of 1936 amounted to 55 cases as against 236 cases during 1935, a decrease of 77 per cent. On the other hand, exports increased from 128,778 cases during the first six months of 1935 to 249,088 cases during the same period of 1936, showing an increase of 93.4 per cent. Shipments to Manchuria, British India, Central America, Egypt, Africa, Australia, New Zealand, and Europe showed increases; those to China and Hongkong declined to almost one-fifth of the amount exported during the January-to-June period of 1935.

According to official statistics issued by the Ministry of Commerce and Industry, the value, with only one exception, of manufactures of rayon, and those of rayon and other fibres, increased by 21.4 per cent during the first six months of 1936 when compared with the same period of the previous year. The exception was the combination of rayon and cotton, which showed a slight decline of 0.7 per cent.

*Production of Rayon Tissues in Japan*

	Jan.-June, 1935 1,000 Yen	Jan.-June, 1936 1,000 Yen	Increase Per Cent
Rayon, mixtures of rayon and silk	103,330	130,053	25.9
Rayon and cotton mixture . . . .	16,669	17,118	2.7
Rayon and hemp mixture . . . .	16	61	281.0
Rayon and wool mixture . . . .	19,798	22,498	13.6

The value of exports of rayon tissues and tissues produced from a combination of rayon and other fibres increased by 26.6 per cent. Shipments to all parts of the world increased with the exception of those to Egypt and Africa, which showed a decrease of 22.5 per cent.

**EXPORT SHIPMENT LEVY**

The Japan Federation of Export Silk and Rayon Textile Associations arranged a system that became effective on August 1 last whereby one sen per yard will be levied on all export shipments theoretically in order to effect the control of rayon prices, but in practice to build up a fund to help finance the movements for adjusting unbalanced trade conditions. It is estimated that this levy will increase the export cost of rayon textiles by about 3 per cent. In general, in operation the new regulation differs very little from the old, except in its worldwide application.

## CONTROL OF MANCHUKUO PULP PRODUCTION

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, September 1, 1936.—During the early part of the present year the Government of Manchukuo granted certain lumbering concessions to four Japanese applicants with authority to incorporate pulp manufacturing companies in accordance with the Manchukuo Commercial Code. As a result the following concerns were established:—

Pulp Company	Capital in Yen	Site of Factory	Wood Concession along
Japan Manchurian .. . . .	15,000,000	.....	Lake Chinpo
East Manchurian. . . . .	15,000,000	Kaishantun	River Tumen
Toyo. . . . .	10,000,000	.....	Tumen
Manchurian .. . . .	10,000,000	Hualin	River Mutan

Provision was made in their charters that each firm would be allowed to produce only 10,000 metric tons of pulp during the first year of operation, and 15,000 metric tons during the second and succeeding years, and that the pulp-wood necessary for these operations would be supplied from the concessions by the Government's "Direct Felling Bureau."

It was anticipated that production would be commenced sometime during the latter half of next year, and that during 1938 some 40,000 metric tons of pulp, for use largely in the rayon industry, would be turned out by these mills. The East Manchurian Pulp Company and the Manchurian Pulp Company have had their plants under construction since last May, but the other two concerns are holding construction operations in abeyance, claiming that the production of only 10,000 to 15,000 metric tons of pulp annually is too small an amount to produce economically. The Oji Paper Mill Company contend that in its Saghalien operations 30,000 metric tons is the minimum annual output that can be produced on a commercial and paying basis. It is the opinion of the trade that it is imperative that the existing firms should amalgamate and the two mills under construction should produce the total tonnage authorized under the charter.

In some quarters the opinion is expressed that eventually this plan may be carried out, but at the present time the Kwantung Army and some sections of the Manchukuo Government, from whom sanction for such a merger must be obtained, are opposed to the monopolistic control of industry. However, the Oji Paper Mill Company recently founded the Taito Pulp Company, a new holding concern capitalized at 15,000,000 yen, of which one-quarter is paid up. This firm immediately merged with the East Manchurian Pulp Company. This merger means that the Oji Paper Mill Company controls three out of the four concerns to which lumbering concessions have been granted, as the Japan Manchurian Pulp Company is an Oji undertaking, and the latter have subscribed half the capital of the Toyo Pulp Company. The merger calls for the approval of the authorities, which may not be given in the immediate future. The Manchurian Pulp Company will remain as an independent producer, and intends to carry out its original production scheme, assisted financially by the Mitsubishi interests.

### FOREST RESOURCES OF MANCHUKUO

There is no reliable data available regarding the forest resources of Manchukuo, although it is true that various investigations have been made, but the resulting figures have shown so much disagreement that no final deductions are possible. However, in pulp-producing circles it is estimated that wood suitable for pulp manufacture amounts to between 200,000,000 and 400,000,000 koku (one koku is approximately 10 cubic feet), while that of Saghalien is placed at 600,000,000 koku. If taken at the lower figure, the Manchurian resources will be totally exhausted within an ordinary lifetime if the 274,000 metric tons of foreign pulp now imported annually are displaced by a locally manufactured commodity.

## DEVELOPMENT OF CHEMICAL INDUSTRY IN JAPAN

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

Tokyo, September 17, 1936.—Although the textile industry still accounts for the major portion of industrial production in Japan, the relative importance of the chemical industry to the whole has been steadily growing from 14 per cent in 1929 to 16·7 per cent in 1933 (in production value), while that of the textile industry has been diminishing from 41·5 per cent in 1929 to 36·8 per cent in 1933, now estimated at about 35 per cent. This progress in the chemical industry may be chiefly attributed to the developments in heavy chemicals, rayon, dye-stuffs, photographic plates and films, perfumes, pharmaceuticals and fertilizers, and also to other classifications in a minor degree.

### PRODUCTION

According to the factory statistics compiled by the Ministry of Commerce and Industry, and which only give complete figures for the chemical industry up to the end of 1933, heavy chemicals and rayon show the largest increases in production value, from 116 million yen in 1929 to 205 million yen in 1933 for heavy chemicals and from 45 million yen to 104 million yen for rayon, the total production value for 1933 for the whole industry amounting to 1,312 million yen. Other important classifications are pulp and paper, fertilizers, oils and wax and manufactures, showing respective production values in 1933 of 176 million, 172 million, and 155 million yen.

### IMPORTS

Notwithstanding the rapid development of the chemical industry in Japan, this country still has to import a considerable amount of chemicals to satisfy its requirements. In fact, the imports in 1935 exceeded exports by 100 million yen. These imports consist mainly of oils, fats and wax, pulp and paper, fertilizers, pharmaceuticals and heavy chemicals, photographic plates and films, and dye-stuffs, and reached a total of 360 million yen in 1935, which represents 14·6 per cent of the total import trade. These 1935 imports show an increase over the previous year of some 62 million yen. Oils, fats, and wax alone represent over 45 per cent of these imports, pulp and paper 20 per cent, fertilizers and heavy chemicals respectively 12 per cent. Oils and fats, etc., comprise largely mineral oils in which Japan is deficient; vegetable oil imports are small due to the import of oil seed, which are procured mostly from Eastern markets. The next important item is pulp and paper, in which Canada is particularly interested.

Imports of pulp have greatly increased of recent years as domestic production could not keep pace with the growing demands of expanding rayon and paper manufacturing. These imports have grown from 25 million yen in 1930 to 72 million yen in 1935. While imports of pulp and paper have increased, imports of rayon have diminished to the point of becoming almost negligible. In fact, in an analysis of the import trade of chemicals, it is noticeable how the imports of manufactured goods have decreased, while those of raw materials and semi-manufactures have increased. A decline in imports is also shown in rubber manufactures, fertilizers, pharmaceuticals, heavy chemicals, paint, varnish and pigments, and explosives. This decrease in imports falls in line with a corresponding development of the local industry of these various commodities. The import heading paint and varnish comprises carbon black, pitch and asphalt imported principally from the United States, and oxide of cobalt imported from Canada, Germany, and Great Britain. Fertilizers and dyestuffs come mainly from Germany and the United States.

### EXPORTS

As a result of the development and expansion of the local industry exports of chemicals have increased from 127 million yen in 1929 to 260 million yen in 1935, representing approximately 10½ per cent of the total export trade.

These exports consisted largely of vegetable and fish oils, pharmaceuticals such as pyrethrum, sulphur, camphor, peppermint, etc., heavy chemicals, rubber pulp and paper, rayon, and celluloid.

Export of paints and varnishes, soaps and toilet articles, dyestuffs and fertilizers, though of lesser importance, have also increased substantially of recent years.

### AUSTRALIAN WHEAT AND FLOUR

M. T. STEWART, ACTING TRADE COMMISSIONER

Melbourne, September 16, 1936.—Shipments of wheat and flour from Australia for the period from December 1 to the week ending September 8 totalled 78,564,000 bushels as compared with 81,275,000 bushels for the corresponding period of the previous year. The market was less active during August, but within the past few days increased interest has been shown by overseas buyers and the market has firmed very considerably. Harvesting operations in Canada and Europe confirming the unfavourable conditions there have had a strengthening effect on the market for Australian wheat.

The price to growers at country sidings is now about 4s. 4½d. per bushel, Australian currency, equivalent to 88 cents Canadian, the f.o.b. steamer price being approximately 4s. 11½d. per bushel, equivalent to \$1 Canadian. The most recent estimate indicates a surplus in Australia of only 23,500,000 bushels, of which a very small proportion may be carried over into the new crop year commencing December 1, although it is expected that practically no wheat will be in the hands of the growers at that time.

The new crop is progressing favourably under good weather conditions and crop prospects are excellent, although South Australia and Western Australia are in need of rainfall. Given favourable weather conditions for the next month, a crop of 160,000,000 bushels should be a fairly safe preliminary estimate. The acreage of 12,406,000 is allocated among the various states as follows: New South Wales, 4,000,000; Victoria, 2,500,000; Queensland, 335,000; South Australia, 3,100,000; Western Australia, 2,454,000; Tasmania, 15,000; Federal Capital Territory, 2,000.

### FLOUR

The export flour market has continued very quiet for some time past as importing centres have not shown definite interest in Australian flour at prices in keeping with the present high price of wheat, and the millers have been reluctant to accept business on an unremunerative basis. However, important inquiries have come to hand within the last few days which indicate that the export trade in flour may revive. Some millers are holding good stocks of wheat on which a heavy profit may be made, provided wheat continues firm. Dairen is still out of the market and political developments are being awaited with interest.

Export quotations are nominally unchanged at £10 5s. per ton of 2,000 pounds packed in 150-pound sacks, equivalent to \$41.27 Canadian, and £10 10s. per ton in 49-pound bags, equivalent to \$42.27 Canadian. The local price of flour is £12 5s. per ton delivered Melbourne and suburbs.

### CHARTERING

Several additional steamers have been chartered during the past month to meet shippers' requirements, but as the demand for tonnage will be limited during the remainder of the crop year, very little interest is being shown at present. The charter market, however, is firm and owners are holding out for premiums over minimum schedule rates, which are officially unchanged.

ASBESTOS FIBRE IN THE UNION OF SOUTH AFRICA AND SOUTHERN RHODESIA

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, July 17, 1936.—The Union of South Africa and the Rhodesias do not offer an outlet for the sale of Canadian asbestos fibre. In fact they, with Russia, are important competitors in world markets of the Canadian product.

PRODUCTION

Production of asbestos fibre has shown a steady increase in both countries, as the following figures show: —

Year	Southern Rhodesia		Union of South Africa	
	Tons	£	Tons	£
1932 .. . . .	15,766	197,092	12,071	116,401
1933 .. . . .	30,182	555,993	15,884	197,120
1934 .. . . .	32,214	402,745	17,431	203,033

Five classes of asbestos occur in the Union of South Africa: chrysotile, crocidolite, amosite, tremolite, and asbestic, but only the first three have been exploited to any considerable extent. The principal areas are located in the Transvaal and Cape Province.

The peak year of asbestos production in both countries was 1929, when a total of 60,380 tons of chrysotile (white) valued at £1,434,784 was exported, 6,030 tons of crocidolite (blue) valued at £150,995, and 9,260 tons of amosite (grey) valued at £98,241.

About this time Russia re-entered the export market, and the influence of her exports, coupled with the general economic depression, resulted in a decline in production and exports. Exports in 1931 declined 47 per cent in tonnage and 62 per cent in value, as compared with 1929.

In 1929 the various asbestos interests in the Union and Rhodesia merged, and since then the raw asbestos production in Africa has been rationalized and a definite outlet found in supplying the large British interests of a well-known organization. In addition to this outlet, large tonnages have been marketed on the Continent, particularly of grades No. 3 and No. 4, which are used in the manufacture of asbestos cement products. Spinning grades are sold to the United States, and some to the Continent, being used for brake linings and engineering.

The merging of asbestos interests and the regulating of deliveries from Russia to Continental manufacturers saved the situation in Africa, as the selling value was rapidly approaching the cost of production.

Originally there were twenty-six grades of raw asbestos exported, but this number has now been reduced to four, which number is stated to be sufficient to meet the requirements of the manufacturers.

With one exception, all asbestos in Rhodesia is obtained from open quarries. This exception is the Shabanie Mine.

The industry is well equipped, and the product is of excellent quality. The type of fibre is equal to any for use in asbestos cement, and the percentage of spinning fibres is high, both of which are of considerable advantage to the industry. With the up-to-date equipment which the mines possess and the state of development at which they are at present, the mines can, should demand develop, increase their production to double their present output, with little difficulty or additional expense beyond that of labour.

## EXPORTS

Exports of asbestos fibre from the Union of South Africa to principal countries:—

Country	1934 Lbs.	1935 Lbs.
Total . . . . .	34,865,655	47,428,379
United Kingdom . . . . .	17,270,029	24,567,851
Japan . . . . .	2,654,976	4,603,012
Australia . . . . .	3,385,080	4,412,478
Germany . . . . .	1,805,453	2,986,908
France . . . . .	2,055,641	2,389,248
Belgium . . . . .	1,117,838	2,248,960
United States . . . . .	1,430,976	2,227,500
Italy . . . . .	2,278,713	1,332,437
Holland . . . . .	731,115	909,435
India . . . . .	578,550	596,100
Chile . . . . .	146,100	506,700
Spain . . . . .	1,248,600	499,346
Canada . . . . .	18,420	52,310

Exports of raw asbestos from Southern Rhodesia to principal countries were as follows:—

	1933 Tons	1934 Tons
Total . . . . .	30,113	32,061
Continental Europe . . . . .	17,603	15,395
United Kingdom . . . . .	8,758	11,773
Japan . . . . .	810	1,721
Australia . . . . .	525	1,100
United States . . . . .	2,098	1,076
India . . . . .	.....	850
Union of South Africa . . . . .	240	99

NOTE.—Statistics for 1935 as to destination of exports are not as yet available, but total exports amounted to 45,287 tons valued at £792,517, as against 32,061 tons valued at £577,749 in 1934.

According to the Chamber of Industries, there is only one small factory manufacturing a very limited range of asbestos products in the Union. Engineering firms use some in making asbestos packing, but the local trade is so small that prices are unavailable.

## CONDITIONS IN THE NORTH OF ENGLAND

H. R. POUSSETTE, CANADIAN TRADE COMMISSIONER

Liverpool, October 9, 1936.—Economic conditions in the North of England and the Northern Midlands continue to improve. A contributing factor has been the greater activity in the shipyards of the northeast and northwest coasts and Merseyside, and in traffic over the railways. While the North of England has been slower than other parts to participate in the recovery, except in certain areas, it is now more or less following the general trend.

There is greater activity in Northumberland and Durham coal through the Tyneside ports, and the iron and steel industry is experiencing excellent conditions. One large foundry at Stockton, which had been closed for twelve years, has lately been reopened. An important order has been received by a bridge and engineering company in Darlington for the construction of the Howrah bridge at Calcutta, which will involve a sum of £1,605,000.

## IRON AND STEEL

There is considerable activity in the pig iron industry owing to the strong home and export demand. As a result of the heavy domestic demand a good deal of foreign business has had to be declined. It is reported from Barrow-in-Furness that the demand for hematite pig iron is strong, and that orders are being refused. Apparently there is an abundance of forward business that will be available well into 1937.

The steel trade is very active and it is stated that both home and overseas consumers are eager purchasers. One satisfactory feature is that the demand is not only for immediate business but for some time ahead.

Sheffield continues to report very active conditions in nearly every branch. The rolling mills are working to capacity, and steel is being demanded in substantial quantities for the manufacture of aircraft. Other engineering trades are doing well, and there seems no prospect of this activity diminishing for a considerable time. The tool trade is well employed, and this particularly applies to precision tools, files, and such like. The manufacture of safety razor blades continues at a high rate. A much more optimistic spirit prevails in the cutlery trade, substantial Christmas orders having been placed. The silverplate section is brisk.

One interesting feature of this activity is that a scarcity of skilled men, not only in engineering but in the finer steel trades, is developing. This condition applies also to female labour employed in the cutlery trade.

### COTTON

Recently there has been an improved demand for cotton yarns from the Continent and exports have increased. Unfortunately this has had no influence on prices, which still remain unsatisfactory. Under the "redundancy" plan, a large number of spindles are being scrapped, but the scheme is not yet in full operation. At the moment spindles are running at about 80 per cent of capacity. On the other hand, the outlook for cotton piece-goods has improved, due to some extent to increased demands from Canada and Australia, and to a lesser extent from the Continent. Prices in the piece-goods section are relatively better than those for yarn.

After three years of industrial peace following the strikes of 1932, the operative cotton spinners and cardroom workers have stated that a strike ballot will be taken if there is no increase in wages. A stoppage of work by these workers, numbering 120,000, would eventually affect 270,000 operatives. In addition, weavers to the number of 150,000 have served notice for an increase in wages of 15 per cent.

### WOOLLENS

In the woollen industry spinning mills are fairly well employed and quotations remain firm. In the piece-goods section prices are also firm, and the tone of the market appears to be satisfactory. The worsted section seems to be in the best condition; some of the mills are working overtime.

The clothing trade has recently been busy, although reports have come from Leeds that it has eased down from the peak. The condition of the clothing trade is reflected in labour conditions, which are better than last year and the year before. This trade is of much importance in Yorkshire, and particularly in the Leeds area, where a great deal of the ready-made clothing for men is manufactured.

## FOREIGN TRADE OF GERMANY, JANUARY TO AUGUST

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Hamburg, October 7, 1936.—Summary returns of Germany's foreign trade for the first eight months of the year are given below. It will be noted that, as a result of the rigid enforcement of import restrictions, purchases from abroad have been maintained at low figures, while, in sympathy with seasonal trends and with the stimulation of subsidies, exports reached a higher level in August than in any preceding month. The balance remains distinctly favourable, the eight-month total of R.M.244,900,000 showing a substantial improvement when compared with an unfavourable balance of R.M.86,000,000 recorded during the first eight months of 1935.

*Foreign Trade of Germany, January to August, 1936*

	Imports R.M.	Exports R.M.	Total R.M.	Balance R.M.
January.. . . . .	363,600,000	381,800,000	745,400,000	+18,200,000
February.. . . . .	333,800,000	373,600,000	707,400,000	+39,800,000
March.. . . . .	355,400,000	379,000,000	734,400,000	+23,600,000
April.. . . . .	360,600,000	365,500,000	726,100,000	+ 4,900,000
May .. . . . .	337,400,000	372,100,000	709,500,000	+34,700,000
June .. . . . .	360,100,000	370,900,000	731,000,000	+10,800,000
July .. . . . .	345,700,000	395,300,000	741,000,000	+49,600,000
August .. . . . .	345,700,000	409,000,000	754,700,000	+63,300,000

## CANADIAN TRADE WITH GERMANY

German trade returns for the first six months of the year indicate a considerable improvement over the position during the same period of 1935. Exports to Canada were valued at R.M.10,690,000, an increase of R.M.1,755,000, while imports appreciated by R.M.3,275,000 to R.M.9,751,000, at which figure there is a reasonably satisfactory balance between the two totals. It must be noted, however, that Germany's purchases of Canadian goods are confined largely to metals and ores, wool, lumber, and a very few other commodities, and that the variety which might be considered as a desirable and stabilizing aspect of the business has disappeared as a result of Germany's policies of import and foreign exchange restriction.

The following table illustrates the position as at the end of June, as compared with that prevailing on June 30, 1935:—

	Jan.-June, 1935	Jan.-June, 1936
Imports from Canada into Germany .. .	R.M.6,476,000	R.M. 9,751,000
Exports from Germany to Canada.. . .	8,935,000	10,690,000

## THIRD GERMAN CROP ESTIMATES

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Hamburg, October 6, 1936.—Revised estimates of the 1936 grain crops, recently issued by the German Statistical Bureau, indicate less satisfactory returns than referred to in the last report on this subject, published in *Commercial Intelligence Journal* No. 1701. The August estimate of the yield of bread grains has been reduced by 2.9 per cent to 12,420,000 tons, at which figure the outturn will be less by 120,000 tons than the average for the 1930-35 period but 150,000 tons in excess of 1935 production. The principal decreases are in rye, wheat, and summer barley. Unfavourable weather during harvesting is stated to be the principal cause for the reduced estimates.

It has been noted in previous references to the grain situation in Germany that strenuous efforts are being made to attain a position of independence from foreign sources of supply; during the past year imports of bread grains were comparatively small. With some improvement over the 1935 crop apparent and the more efficient operation of regulations governing distribution and consumption, it is to be assumed that some progress in the accumulation of stocks may prove possible. It is believed that the authorities are giving substantial encouragement to the attainment of this objective.

## TRADE OF THE BELGIAN CONGO IN 1935

MAURICE BÉLANGER, ASSISTANT TRADE COMMISSIONER

(One Belgian franc equals \$0.036 (monthly average 1935); one kilogram equals 2.2 pounds; one metric ton equals 2,204 pounds)

Brussels, September 28, 1936.—The total trade of the Belgian Congo in 1935 showed a substantial gain over the previous year, and both imports and exports were considerably higher than in 1934.

### TOTAL IMPORTS

Total imports for consumption amounted last year to 524 million francs compared to 377 millions in 1934, an increase of 147 millions or about 39 per cent. In weight, total imports increased from 163,576 metric tons in 1934 to 177,546 tons in 1935, an improvement of 13,970 tons or 8.5 per cent. Imports in transit from other countries, and generally all imports not declared for consumption, showed a slight decline from 96 to 89 million francs.

The gain is greatest in manufactured goods, imports of which increased from 266 million francs in 1934 to 389 millions in 1935, while imports of foodstuffs rose from 68 millions to 86 millions and imports of raw materials from 43½ millions to 49½ millions. The only decline was in living animals, imports of which fell from 185,489 francs to 128,554 francs.

It is worth noting that, in value, manufactured goods accounted for 74.15 per cent of total imports compared to 70.55 per cent in 1934, while foodstuffs accounted for 16.37 per cent and raw materials for 9.46 per cent compared to 17.88 per cent and 11.52 per cent respectively in 1934.

### DISTRIBUTION OF IMPORT TRADE

Belgium is, of course, the most important source of supply of imports into the Belgian Congo. Imports for consumption from Belgium in 1935 amounted to 201 million francs and represented 38.33 per cent of total imports, compared to 41.55 per cent in 1934. The other main supplying countries, in order of importance, were Great Britain, Japan, United States, Germany, France, and Holland.

Following is a table showing imports into the Belgian Congo, in weight and in value, from the leading supplying countries in 1935:—

	Kilos	Belgian Francs
Belgium . . . . .	75,939,143	201,077,400
Great Britain . . . . .	5,616,708	73,616,308
Japan . . . . .	3,720,512	67,837,241
United States . . . . .	7,792,658	44,622,714
Germany . . . . .	3,716,147	24,931,997
France . . . . .	1,201,363	15,629,055
Holland . . . . .	1,001,857	13,540,610
Angola . . . . .	8,138,358	11,352,762
Dutch East Indies . . . . .	4,744,988	8,054,335
Rhodesia . . . . .	41,172,973	7,182,692
British India . . . . .	1,344,914	5,123,390
Portugal . . . . .	1,198,305	4,951,656
Sudan . . . . .	1,233,079	4,815,684
South Africa . . . . .	815,985	4,801,761
Italy . . . . .	1,481,038	4,692,932
Uganda . . . . .	1,007,652	4,169,904

It should be noted that import statistics in the Congo are classified not according to the country of origin but the country of last shipment, and that imports from countries like Belgium and Great Britain comprise goods of many different origins. This is specially true in the case of Belgium, due to reduced ocean freight rates, which usually make it more advantageous to ship via Ant-

werep than direct from the country of origin. For that reason imports of Canadian goods are considerably higher than statistics indicate. In 1935 only 109 metric tons valued at 536,478 francs are credited to Canada, but this figure, due to the absence of direct freight services, cannot be taken even as an approximate indication of the Dominion's share in the Congo's import trade. A good illustration of this is in wheat flour imports, where 64 tons valued at 140,149 francs are credited to Canada and 652 tons valued at 1,673,322 francs to Belgium. A good share of the latter is undoubtedly either Canadian flour or flour milled in Belgium from Canadian wheat.

#### TOTAL EXPORTS

Total exports of the Belgian Congo amounted in 1935 to 1,203 million francs, compared to 843 millions in 1934, an increase of 360 millions or approximately 42·5 per cent. In weight, total exports increased from 336,086 to 398,983 metric tons, a gain of 62,897 tons or roughly 18·7 per cent. The increase was greatest in raw materials, exports of which showed a gain of 280 million francs and 45,086 metric tons. Exports of manufactured goods were higher by 35 million francs and 13,815 tons. Exports of food products were slightly higher in weight but lower by 7 million francs in value. The export items showing the greatest gains are copper, palm kernels, lumber, palm oil, cotton, peanuts, tin, maize, sugar, rice, coffee, rubber, jute, and ivory. There was, however, a falling off in exports of copal, sesame, sisal, pepper, and cocoa.

#### DISTRIBUTION OF EXPORT TRADE

Of the Congo's total exports, 76 per cent in value and 54·75 per cent in weight went to Belgium in 1935. These percentages are slightly higher than in 1934, when Belgium's share amounted to 74·87 per cent in value and 50·5 per cent in weight. The other leading customers, in order of importance, were: Mozambique, Germany, Italy, Angola, United States, French Equatorial Africa, South Africa, Uganda, Holland, Tanganyika, France, Rhodesia, Canada, the Sudan, Great Britain, and Japan. Here again official statistics are not entirely reliable as many goods exported to Belgium, Mozambique, Tanganyika, Angola, and other countries are re-exported from there to other destinations. Cheap freight rates from the Congo to Belgium, and the fact that most of the export firms in the Congo have their head offices located in Antwerp or Brussels, often make it advantageous or convenient to ship via Belgium. Such exports are usually credited to the country of transshipment rather than to the country of final destination.

Following is a table showing exports of the Belgian Congo, in weight and in value, to the leading purchasing countries in 1935:—

	Kilos	Belgian Francs
Belgium . . . . .	218,479,047	914,369,665
Mozambique . . . . .	50,632,543	59,149,925
Germany . . . . .	28,587,230	53,198,896
Italy . . . . .	17,564,065	46,958,991
Angola . . . . .	29,793,867	37,917,588
United States . . . . .	23,933,189	37,704,506
French Equatorial Africa . . . . .	7,016,800	15,382,459
South Africa . . . . .	7,219,217	10,141,411
Uganda . . . . .	94,722	7,103,478
Holland . . . . .	6,160,825	6,532,481
Tanganyika . . . . .	151,024	6,182,685
France . . . . .	1,015,969	2,387,362
Rhodesia . . . . .	1,901,379	2,141,356
Canada . . . . .	1,212,885	2,037,647
Persia . . . . .	400,736	950,000
Sudan . . . . .	334,248	627,592
United Kingdom . . . . .	3,578	55,698
Japan . . . . .	4,467,595	55,000

## IMPORTS FROM CANADA

Imports for consumption from Canada are valued in official statistics at 536,478 francs in 1935, or about one-tenth of 1 per cent of total imports. The items in which Canada participated are listed below with main sources of supply and the extent of Canada's share in the trade:—

*Canned Fish.*—Total imports were valued at 3,496,327 francs, with almost 50 per cent coming from Portugal and the remainder mostly from Belgium, Great Britain, France, Germany, the United States, and Japan. Canada's share amounted to 21,409 francs.

*Flour from Cereals other than Maize.*—Imports of this item, which includes wheat flour, are shown as 4,156,206 francs, of which the share of the United States amounted to 1,684,917 francs, Belgium 1,673,322, Uganda 307,503, Australia 142,860, and Canada 140,149 francs.

*Fresh Fruit.*—Total imports amounted to 288 metric tons valued at 1,310,103 francs, of which South Africa accounted for 858,590 francs and Belgium for 288,485 francs. Canada came third with 79,055 francs.

*Canned Fruit.*—Total imports were valued at 1,594,926 francs, and were purchased mostly from Great Britain (380,154 francs), Belgium (272,952 francs), Switzerland (345,474 francs), South Africa (269,627 francs), and the United States (165,110 francs). Canada supplied 2 metric tons valued at 12,745 francs.

*Refined Petroleum.*—Total imports amounted to 1,101 tons valued at 2,311,249 francs, of which Canada supplied 7.2 tons valued at 20,000 francs. The leading supplying countries were the United States with 1,481,092 francs, the Sudan with 209,128 francs, Tanganyika with 188,060 francs, and Roumania with 175,951 francs.

*Silk Hosiery.*—Total imports were valued at 340,273 francs. The leading suppliers were Japan (101,327 francs), Belgium (80,432), Great Britain (39,966), France (34,073), and the United States (24,425 francs). Canada supplied 18 kilograms valued at 6,188 francs.

*Automobile Tires.*—Total imports were slightly over 7,000,000 francs. Leading supplying countries were Belgium with 2,355,520 francs, Great Britain with 1,685,920, the United States with 1,657,927, and France with 726,347 francs. Canada is credited with 44,071 francs.

*Passenger Automobiles.*—Total imports were valued at 9,871,117 francs, almost the whole of which came from the United States. Imports from Canada were valued at 88,000 francs.

*Motor Trucks and Tractors.*—Out of total imports of 862 tons valued at 11,685,854 francs, the United States supplied 747 tons valued at 9,677,714 francs. Canada's share amounted to only 17,000 francs.

*Spare Parts for Automobiles and Trucks.*—Total imports of 5,215,975 francs were supplied mostly by Belgium and the United States. Imports from Canada amounted to 9,336 francs.

## CHILEAN AGRICULTURAL ESTIMATES, 1936

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, October 8, 1936.—This year's crop estimates have recently been published by the State Statistical Bureau for the agricultural year from late 1935 to early 1936. The figures, calculated as in previous years, which have usually been fairly accurate, show that the 1936 harvest for soft wheat is estimated at 8,535,757 metric quintals, and that for hard wheat at 765,263 metric quintals, or a total of 9,301,020 metric quintals. The forage barley crop is estimated at 604,903 metric quintals, and that of brewing barley at 416,017 metric quintals, or a total of 1,020,920 metric quintals. In the case of other agricultural products the following returns are estimated: oats, 968,443 metric quintals; beans, 764,346; maize, 551,378; potatoes, 4,131,095; chick peas, 65,949; lentils, 272,891 metric quintals.

From the foregoing the State Statistical Bureau estimated that the wheat harvest this year will be the second largest to date, being only exceeded by the 1934 crop. Last year's wheat crop was 88 per cent of this year's. The barley harvest is stated as being nearly 200,000 quintals above that of last year, while the increase in the whole crop is 41.3 per cent over the year 1935.

A 10 per cent drop is noted in the bean crop, and the maize harvest is the lowest reported by the State Statistical Bureau, being 20 per cent below that of 1935. The potato crop is also reduced, being some 500,000 quintals less than last year. A reduction has also occurred in the pea crop, which is calculated at some

16 per cent below that of 1935. However, in the opinion of the State Statistical Bureau, the lentil and chick pea crop estimates given are far from correct, because of the fact that many farmers are known to have gone in for the cultivation of these crops and have not so far completed their returns. The lentil crop is reported as being considerably greater owing to the demand abroad. The report goes on to state that the present crop is one of the highest recorded, and it is expected that it will reach a considerably higher figure than that appearing in production tables for the current year.

## SECOND OFFICIAL ESTIMATE OF AREA SOWN TO GRAIN IN ARGENTINA

Mr J. A. Strong, Canadian Trade Commissioner at Buenos Aires, writes under date October 9 that the second official estimate of the acreage sown to grain in Argentina has just been published by the Department of Agriculture.

### *Acreages Sown to Grain in Argentina*

	Oct. 8, 1936 <sup>1</sup>	Aug. 21, 1936	1935	1934	10-yr. Average
	Acres	Acres	Acres	Acres	Acres
Wheat.. . . .	17,358,775	16,802,800	14,208,250	18,811,723	19,426,730
Flaxseed .. . .	7,425,355	7,289,450	6,572,860	8,102,409	7,345,704
Oats. . . . .	3,026,975	2,965,200	2,952,845	3,528,588	3,484,497
Barley.. . . .	1,915,025	1,976,800	1,939,735	2,013,865	1,510,813
Rye. . . . .	2,100,350	1,729,700	1,749,468	2,133,955	1,397,953
Birdseed .. . .	103,782	98,840	105,264	123,797	92,852
Sub-total.. . .	31,930,262	30,862,790	27,528,422	34,714,337	33,258,549
Corn sown September.. . . .			18,853,720	17,358,337	13,398,817
Total .. . . .			46,382,152	52,082,675	46,657,366

<sup>1</sup> Estimated.

## EGYPTIAN 1935-36 COTTON SEASON

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, September 24, 1936.—The Egyptian cotton season ended August 31 was, from the grower's standpoint, the most satisfactory one experienced for a long time past, while for the trader it was a particularly difficult one, more especially in its earlier phase.

According to the Ministry of Agriculture's final assessment, a crop of 8,534,927 kantars (one kantar is equal to 99·05 pounds) was harvested from an officially estimated area of 1,669,005 feddans (one feddan is the equivalent of 1·038 acre); the average value of the cotton as computed by the Statistical Department of the Ministry of Finance was \$13½ per kantar; and on this basis the exports, which reached a total of 8,080,000 kantars, brought some £E22,000,000 into the country.

### STATISTICAL POSITION

The figures make very favourable comparison with those of recent seasons, as is indicated by the following table, which shows the quantities, average spot prices, and value of arrivals in the past six seasons:—

Season	Arrivals in Kantars	Average Price per Kantar	Value in Egyptian Pounds
1930-31.. . . .	7,946,913	\$12½	19,100,000
1931-32.. . . .	6,563,139	10½	13,150,000
1932-33.. . . .	5,049,791	12¼	12,100,000
1933-34.. . . .	8,458,098	11½	19,250,000
1934-35.. . . .	7,494,162	13¼	19,500,000
1935-36.. . . .	8,305,814	13½	22,650,000

## POSITION OF THE FARMER AND THE TRADER

While the farmer's income was substantially larger than in recent seasons, his expenses were at the same time materially smaller, the cotton tax having been abolished last autumn and charges in respect to ginning, etc., having been considerably reduced. It follows that the Egyptian grower fared better than for several years past.

For the trader the last season offered a totally different situation. Many commitments were entered upon by exporters in the summer and early autumn of last year at price-bases which then appeared conservative, but these bases proved totally impracticable when the market was suddenly inundated by a huge volume of mill orders for prompt shipment, and premiums higher by upwards of half a dollar per kantar had frequently to be paid for cotton to meet the outstanding engagements.

In many instances also the sharply stiffening spot premiums put interior merchants dealing on "franco" terms to serious loss in fulfilling their contracts. The embarrassments of merchants trading in Giza 7 were further aggravated through the failure of the existing Sakel futures contract to provide a proper hedge for the former cotton, production of which exceeded that of Sakellarides for the first time, and similar difficulties were encountered later in the case of Zagora, when tenders of this growth were virtually excluded through a modification in the terms of delivery of the Uppers contract.

Conditions after the return of the year became rather more favourable to traders, but the grower was throughout the season in a commanding position, profiting in the early stages from a demand of unparalleled urgency initiated by war fears and intensified by the fact that the world's mills found themselves seriously under-bought in the emergency, and benefiting subsequently—where his cotton had been sold "on call" and was still unfixed—by an increasingly acute scarcity of actual cotton and a concomitant rise in the price of futures.

## DESTINATIONS OF EXPORTS

Great Britain was as usual Egypt's best customer by far, her share being represented by 34.4 per cent of total exports. France took second place with 14 per cent, against 11.8 per cent in 1934-35. Germany followed with 8.8 per cent as compared with 8.1 per cent in the previous season. Japan was fourth with 7.2 per cent against 10 per cent, Spain fifth with 5.5 per cent against 6.4 per cent, and Italy sixth with 4.8 per cent against 8.7 per cent. Canada's purchases amounted to 34,621 kantars in the 1935-36 season in comparison to 41,275 kantars during the previous season, while those of the United States totalled 257,987 and 241,835 kantars.

Exports to Italy inevitably showed a sharp decrease owing to the operations of sanctions, and Japan's diminished takings were partly the result of the increased tariff on Japanese goods imported into Egypt. Among other countries which materially reduced their imports of Egyptian cotton were British India and Spain, but it is worth noting that the former ranked second only to Great Britain in takings of Giza 7.

Of the total exports, Ashmouni and Zagora accounted for roughly 5,100,000 kantars, which approximated closely the 1934-35 figure. The remainder included 1,230,000 kantars Giza 7 against 900,000 kantars in 1934-35, 940,000 kantars Sakellarides against 1,105,000 kantars in the previous season, and 320,000 kantars Maarad against 230,000 kantars in 1934-35.

## PROSPECTS FOR PRESENT SEASON

The possibility in the present season of a recurrence of the conditions which prevailed in the past can hardly be made the basis of calculation. Another large

crop is in prospect; demand from abroad is unusually sluggish for the short-staple cottons and is practically non-existent for the long-staple varieties; and, in view of the relationship of the Sakel futures and of the existing terms of contract delivery in respect to Giza 7, merchants are unable to accumulate stocks of the latter cotton—now quantitatively the principal long-staple growth—on hedge.

## **TARIFF CHANGES AND CUSTOMS REGULATIONS**

### **Irish Free State Import Licences for Honey**

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises, under date October 2, 1936, that the Department of Agriculture has announced that, owing to the partial failure of the local honey production this season, import licences may be granted to certain manufacturers and wholesale distributors for the importation of honey, during the remainder of the season, free of duty. Previously no licences were granted for the importation of this commodity.

### **Irish Free State Maize Meal Mixture**

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises, under date September 28, 1936, that, by order of the Minister of Agriculture, the proportion by weight of home-grown cereals to be included in maize meal mixture shall be  $33\frac{1}{3}$  per cent, as from October 1, 1936, as against 50 per cent previously.

Maize millers who use oat kernels only in the manufacture of maize meal mixture are required, as from October 1, 1936, to incorporate 25 per cent by weight of such kernels in that mixture, as against 35 per cent formerly.

The reduction in the proportion of home-grown cereals now to be used is due to the somewhat smaller supplies of oats and barley in the Irish Free State this year, as compared with the bumper harvests last year.

### **New Zealand Form of Invoice to be Changed**

It is announced that the forms of Invoice and Certificate of Value and of Origin for use with shipments to New Zealand are to be amended. The new forms will be usable on and after January 1, 1937, but the Comptroller of Customs is empowered to permit acceptance of the forms now in use until June 30, 1937. Particulars regarding the new forms will be issued shortly by the Department of Trade and Commerce on receipt of full information from New Zealand.

### **Australian Deferred Duties**

Information is received that the deferred duties under the Australian Customs Tariff on iron and steel hoops less than 12 gauge thick, which were to have gone into force on October 1, 1936, have been further postponed until January 1, 1937. At present such goods are free of duty under the British preferential tariff and subject to 15 per cent ad valorem under the general tariff. The deferred duties are 10 per cent ad valorem under the British preferential tariff and  $22\frac{1}{2}$  per cent ad valorem plus 70s. per ton (2,240 pounds) under the general tariff, with increasing rates as present Australian currency depreciation is reduced.

### **Certification of Potatoes Imported into British India**

A notification issued by the Department of Education, Health and Lands, British India, dated July 20, 1936, provides that potatoes shall not be imported by sea unless they are accompanied by (a) a certificate from the consignor stating fully in what country and in what district of such country the potatoes were grown and guaranteeing that warty disease was not known to exist on the farms where the potatoes were grown, and (b) an official certificate that no case

of warty disease of potatoes has been known during the twelve months preceding the date of the certificate within five miles of the place where the potatoes were grown.

A copy of the form of official certificate prescribed may be obtained on application to the Department of Trade and Commerce, Ottawa. This certificate must be signed by the Ministry or Department of Agriculture, in the case of exports from Canada.

### Italian Tariff Changes

Mr. A. B. Muddiman, Canadian Trade Commissioner at Milan, cables that Italy has decreed new import duties on wheat, flour, oats, fresh and frozen fish, mowers, and reapers and binders. The new rates in lire per 100 kilos are as follows (former rates in parentheses): wheat, 47 (75); wheat flour, 72 (115); oats, 8 (16); fresh and frozen fish, 50 (free); mowers, 100 (15 per cent ad valorem); reapers and binders, 50 (15 per cent ad valorem).

The 15 per cent ad valorem tax (imposed by an Italian decree of September 24, 1931) which was applicable to imported goods in respect of which no privileged treatment was fixed by international conventions has been cancelled. Articles of interest to Canada affected by the withdrawal of this tax include canned salmon, codfish, mowing machines, harvesters and binders, tires, tubes, leather and rubber gloves, rubber footwear, senega root, patent leather, skates, staves for barrels, and wallpaper.

It has also been decreed that private compensation agreements will no longer be allowed.

### Sale of Alimentary Pastes in Belgium

Mr. Yves Lamontagne, Canadian Trade Commissioner at Brussels, advises that under a royal decree published in the *Moniteur Belge* of October 3, 1936, receptacle or packing containing alimentary pastes and destined for sale in Belgium must bear an indication of the net minimum weight of the product. This indication will be made as follows: "Net weight: X grams (or kilograms)," which must appear in clear characters on the principal face of the receptacle or packing.

The above regulation is applicable as from January 1, 1937.

### Belgian Import Licences

A Belgian royal decree, dated September 15 and published in the *Moniteur Belge* of October 8, cancels the restrictions previously imposed on the importation of knit goods of cotton and silk containing up to 5 per cent of silk and elastic knit goods of any material. These goods, which come under tariff items 606 and 609bis respectively, were subject to the granting of import licences but may now be imported without this formality.

### Manchoukuo Foreign Trade Control Law

Mr. C. S. Bissett, Canadian Trade Commissioner, Tientsin, advises that the Manchoukuo Foreign Trade Control Law (Ordinance No. 135) was promulgated August 15, 1936, and empowers the Government to subject designated commodities to surtaxes rising to 100 per cent ad valorem in addition to the ordinary import duties, as from that date. The law may be applied when it is considered necessary to adjust the balance of trade between Manchoukuo and any foreign country; to protect its foreign trade against discriminatory measures taken, or to be taken, by any foreign country; to protect home industries or to regulate the domestic price level of the necessities of life.

Simultaneously with the promulgation of the foregoing ordinance, a licensing system (Ordinance No. 136) governing the importation of wheat, wheat flour, rice, and wool was made operative. Importers of these commodities must obtain the sanction of the Ministry of Industry, Hsinking, for imports into Manchoukuo, or that of the Kwantung Bureau, Dairen, for imports into the Kwantung Leased Territory.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCTOBER 19

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 19, and for the week ending Tuesday, October 13, 1936, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending October 13	Nominal Quotations in Montreal Week ending October 19	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1875	\$ .1872	3½
Belgium . . . . .	Belga	.1001	.1682	.1682	2
Bulgaria . . . . .	Lev	.0072	.0129	.0130	6
Czechoslovakia . . . . .	Krone	.0296	.0354	.0354	3
Denmark . . . . .	Krone	.2680	.2187	.2180	3½
Finland . . . . .	Markka	.0252	.0216	.0215	4
France . . . . .	Franc	.0392	.0466	.0465	2
Germany . . . . .	Reichsmark	.2382	.4020	.4022	4
Great Britain . . . . .	Pound	4.8666	4.9000	4.8843	2
Greece . . . . .	Drachma	.0130	.0090	.0090	7
Holland . . . . .	Guilder	.4020	.5322	.5365	3
*Hungary . . . . .	Pengo	.1749	.2955	.2958	4
Italy . . . . .	Lira	.0526	.0526	.0526	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0229	.0230	5
Norway . . . . .	Krone	.2680	.2461	.2454	3½
Poland . . . . .	Zloty	.1122	.1882	.1883	5
Portugal . . . . .	Escudo	.0442	.0446	.0444	4½
Roumania . . . . .	Leu	.0060	.0074	.0073	4½
Spain . . . . .	Peseta	.1930	.....	.....	5
Sweden . . . . .	Krona	.2680	.2526	.2518	2½
Switzerland . . . . .	Franc	.1930	.2299	.2296	2
United States . . . . .	Dollar	1.0000	.9996	1.0000	1½
Mexico . . . . .	Peso	.4985	.2774	.2775	4-5
Cuba . . . . .	Peso	1.0000	.9990	.9992	—
Guadeloupe . . . . .	Franc	.0392	.0466	.0465	—
Jamaica . . . . .	Pound	4.8666	4.9097	4.894	—
Martinique . . . . .	Franc	.0392	.0466	.0465	—
Other British West Indies	Dollar	1.0138	1.0208	1.0175	—
Argentina . . . . .	Peso (Paper)	.4245	.3269	.3256	3½
		Unofficial	.2789	.2770	—
Brazil . . . . .	Milreis (Paper)	.1196	.0873	.0868	—
		Unofficial	.0584	.0583	—
British Guiana . . . . .	Dollar	1.0138	1.0208	1.0175	—
Chile . . . . .	Peso	.1217	.0517	.0517	4½
		Unofficial	.0417	.0417	—
Colombia . . . . .	Peso	.9733	.5688	.5690	4
Peru . . . . .	Sol	.2800	.2499	.2400	6
Venezuela . . . . .	Bolivar	.1930	.2499	.2500	—
Uruguay . . . . .	Peso	1.0342	.7977	.7979	—
South Africa . . . . .	Pound	4.8666	4.8936	4.8781	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.0184	5.0250	—
China (Shanghai) . . . . .	Dollar	.....	.2932	.2933	—
Hongkong . . . . .	Dollar	.....	.3029	.3302	—
India . . . . .	Rupee	.3650	.3700	.3690	3
Japan . . . . .	Yen	.4985	.2866	.2853	3.29
Java . . . . .	Guilder	.4020	.5343	.5390	—
Siam . . . . .	Baht (Tical)	.4424	.4489	.4491	—
Straits Settlements . . . . .	Dollar	.5678	.5747	.5727	—
Australia . . . . .	Pound	4.8666	3.9198	3.9075	—
New Zealand . . . . .	Pound	4.8666	3.9514	3.9390	2½

\* Unofficial: .1978

The Dominion Bureau of Statistics has supplied the following note:—

For the week ended October 19 foreign exchange fluctuations were comparatively slight and several new developments pointed to the early return of exchange stability. The most important was an agreement providing for the transfer of gold between the three exchange equalization authorities of the United Kingdom, the United States, and France. Further evidence of lessened strain was provided by reductions in the official discount rates from 2½ per cent to 2 per cent in France, and from 3 per cent to 2½ per cent in the Netherlands. Franc and sterling rates at Montreal declined slightly during the week but the guilder was strong. The fractional discount on New York funds disappeared, and on October 19 they were quoted at par.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Chatham, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Stratford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Woodstock, Ont.	Vancouver, B.C.
Toronto, Ont.	St. Mary's, Ont.	New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Belleville, Ont.	Hamilton, Ont.
Kingston, Ont.	Peterborough, Ont.	Victoria, B.C.
Oshawa, Ont.	London, Ont.	Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Wheat Flour.....	674	Shanghai, China.....	Purchase.
Fruit Pulp.....	675	Singapore, Straits Settlements.	Purchase.
Natural Mackerel, Canned.....	676	New York, N.Y.....	Indent Agents.
Pilchards: Smoked Natural, Canned; Smoked in Tomato Sauce; Canned in Tomato Sauce.	677	New York, N.Y.....	Indent Agents.
<b>Miscellaneous—</b>			
Vegetable and Garden Seeds...	678	Buenos Aires, Argentina...	Purchase.
Paper Doilies, Cake "Cases" and "Collars" for bakers, etc.	679	Harbin, Manchuria.....	Agency.
Kraft Paper (for Bags).....	680	Mexico City, Mexico.....	Agency.
Old Newspapers.....	681	Shanghai, China.....	Purchase.
Accessories for Textile Weaving Industry.	682	Rio de Janeiro, Brazil.....	Agency.
Friction Tape.....	683	Rio de Janeiro, Brazil.....	Agency.
Kid Leather.....	684	Shanghai, China.....	Purchase.
Boxcalf Leather.....	685	Shanghai, China.....	Purchase.
Patent Leather.....	686	Shanghai, China.....	Purchase.
Cement.....	687	Ciudad Trujillo, Dominican Republic.	Purchase.
Alumina Sulphate or Sulphate of Aluminium.	688	Shanghai, China.....	Agency.

## CERTIFICATES OF ORIGIN FOR BRITISH PREFERENCES

Canadian exporters are reminded of the importance of supplying correct certificates of origin for goods entitled to preferential tariff treatment in Empire countries. The regulations to be observed vary enough to preclude use of uniform documentation for the different British markets. As regards the principal market, the United Kingdom, goods regarded as growth or produce require 100 per cent Empire content; optical goods and parts require 75 per cent; a selected list of manufactured goods (see F.T.D. Leaflet No. 95) require 50 per cent; for other manufactured goods 25 per cent Empire content suffices. A small number of ingredients must qualify independently for preference. Each "article" is subject to the preference test separately, so that when machinery, etc., is shipped to the United Kingdom knocked-down each separate assembly or part must qualify in itself to be entitled to preference. Notice 27A of the London Custom House, issued in March, 1935, prescribes appropriate forms as follows: D, 119 (Sale), for growth or produce; E, 120 (Sale), for manufactured goods; F, 121 (Sale), for manufactured tobaccos and sugars; FF, 122 (Sale), a supporting certificate for ingredients.

## PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

### From Montreal

*To Liverpool.*—Duchess of Bedford, Oct. 30; Duchess of Richmond, Nov. 6; Duchess of York, Nov. 14; Duchess of Atholl, Nov. 20—all Canadian Pacific; Antonia, Nov. 6; Andania, Nov. 20—both Cunard-White Star Line.

*To London.*—Beaverbrae, Oct. 30; Beaverdale, Nov. 6; Beaverburn, Nov. 13; Beaverhill, Nov. 20; Beaverford, Nov. 26—all Canadian Pacific; Alaunia, Oct. 30; Ascania, Nov. 6; Aurania, Nov. 13; Ausonia, Nov. 20—all Cunard-White Star Line.

*To Manchester.*—Manchester Port, Oct. 29; Manchester Producer, Nov. 5; Manchester Commerce, Nov. 12; Manchester Division, Nov. 19; Manchester Regiment, Nov. 25—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Dakotian, Nov. 4; Norwegian, Nov. 21—both Cunard-Donaldson and Dominion Lines.

*To Southampton.*—Montrose, Canadian Pacific, Oct. 31.

*To Cardiff, Bristol and Swansea.*—Boston City, Oct. 26; New York City, Nov. 12—both Bristol City Line.

*To Glasgow.*—Letitia, Oct. 30; Delilian, Nov. 6; Athenia, Nov. 13; Sulainia, Nov. 20—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnvalona, Oct. 29; Cairnesk, Nov. 5; Cairnglen (calls at Dundee), Nov. 19; Cairnross, Nov. 28—all Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kelso, Nov. 3; Kyno, Nov. 26—both Ellerman's Wilson Line.

*To Dublin and Belfast.*—Kenbane Head, Oct. 28; Melmore Head, Nov. 5; Fanad Head, Nov. 18—all Head Line (cargo accepted for Londonderry and Cork).

*To Antwerp and Havre.*—Alaska, Oct. 30; Kings County, Nov. 14; Brant County, Nov. 27—all County Line; Beaverbrae, Oct. 30; Montrose, Oct. 31; Beaverburn, Nov. 13—all Canadian Pacific (do not call at Havre).

*To Rotterdam.*—Columbia, Nov. 3; Grey County, Nov. 20; Hada County, Nov. 28—all County Line.

*To Hamburg.*—Luebeck (calls at Bremen), Hamburg-America Line, Oct. 30; Beaverdale, Canadian Pacific, Nov. 6; Frankfurt (calls at Bremen), North German Lloyd Line, Nov. 27.

*To Copenhagen, Gothenburg and Baltic Ports.*—Nanking, Swedish-America-Mexico Line, Oct. 27.

*To Norwegian Ports.*—Topdalsfjord, Norwegian-America Line, second half of October.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Akre, Gardiaz Line, Nov. 16.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Olmo, Capo Line, Nov. 11.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Delia, Nov. 2; Lotos (calls at Bay Roberts, Carbonear and Port Union but not at St. Pierre), Nov. 6—both Shaw SS. Co.; Belle Isle, Nov. 6; a steamer, Nov. 9—both Newfoundland-Canada SS. Co.

*To Cornerbrook, Nfld.*—New Northland, Clarke SS. Co., Oct. 27.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Colborne (calls at St. Georges, Bermuda), Oct. 29; Chomedy, Nov. 12—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Lady Rodney, Canadian National, Oct. 28.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Maravi, Ocean Dominion SS. Corp., Oct. 26.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Port Alma, Oct. 30; City of Canton, Nov. 21—both Montreal Australia New Zealand Line.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Canadian Constructor, Montreal Australia New Zealand Line, Nov. 28.

*To Manila, Hongkong, Shanghai, Yokohama and Dairen.*—City of Kimberley, Canada Far East Line, Oct. 30; Myrmidon (does not call at Yokohama or Dairen), Blue Funnel Line, Nov. 14.

*To Cape Town, Port Elizabeth, East London and Durban.*—Kepwickhall, Elder Dempster Lines Ltd., Nov. 5.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Tokio, Oct. 28; City of Ripon, Nov. 28—both Ellerman & Bucknall SS. Co.

*To Belawan Deli, Penang, Port Swettingham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—A steamer, Java-New York Line, October.

*To Santos and Buenos Aires.*—Rigel (calls at Rio de Janeiro), International Freighting Line, Nov. 10; Nordkap (calls at Montevideo but not at Santos), Canada-South America Line, Nov. 15.

### From Quebec

*To Southampton.*—Empress of Britain, Canadian Pacific, Nov. 7.

### From Saint John

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Oct. 28; Lady Hawkins, Nov. 11 both Canadian National.

*To Kingston and Jamaican Outports.*—A steamer, United Fruit Line, Nov. 6.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—A steamer, American and Indian Line, October.

### From Halifax

*To Liverpool.*—Manchester Exporter, Nov. 10; Manchester Hero, Dec. 2—both Manchester Line; Newfoundland, Nov. 14; Nova Scotia, Nov. 28—both Furness Line.

*To London and Hamburg.*—Artigas, Oct. 29; Quaker City, Nov. 12; Capulin, Nov. 26—all American Hampton Roads (call at Hull and Dundee); Beemsterdyk (calls at Rotterdam but not at Hamburg), Holland-America Line, Nov. 2.

*To Manchester.*—Manchester Port, Nov. 1; Manchester Exporter, Nov. 10; Manchester Commerce, Nov. 15; Manchester Spinner, Nov. 24; Manchester Regiment, Nov. 26—all Manchester Line.

*To Cardiff, Bristol and Swansea.*—Boston City, Oct. 29; Moorish Prince, Nov. 23—both Bristol City Line.

*To Aberdeen and Hull.*—Cavallo, Ellerman's Wilson Line, Nov. 1.

*To Newcastle and Leith.*—Cairnvalona, Nov. 1; Cairnesk, Nov. 9; Cairnglen, Nov. 23—all Cairn-Thomson Line.

*To Copenhagen and Baltic Ports.*—Batory, Nov. 6; Pilsudski, Nov. 30—both Gdynia-America Line (call at Gdynia).

*To Gothenburg.*—Drottningholm, Nov. 21; Gripsholm, Dec. 10—both Swedish-America Line.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Amherst, Oct. 26; Fort Townsend, Nov. 2—both Furness-Red Cross Line; Nova Scotia (does not call at St. Pierre), Furness Line, Oct. 27; Kongs-haug, Newfoundland-Canada SS. Ltd., Nov. 2; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Nov. 4.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Nov. 5; Lady Hawkins, Nov. 19—both Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Maravi, Ocean Dominion Line, Oct. 31.

*To Santiago (Cuba) and Kingston (Jamaica).*—Kirston B. Pickford & Black Ltd., Nov. 4.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Colborne (calls at St. Georges, Bermuda), Nov. 2; Chomedy, Nov. 16—both Canadian National (call at Gaudeloupe and Martinique if sufficient cargo offered).

*To Kingston (Jamaica) and Belize (British Honduras).*—Cathcart, Canadian National, Oct. 26.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Silvercypress, Nov. 7; Siamese Prince, Nov. 21; Silverwalnut, Dec. 5—all Silver-Prince Line.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Heian Maru, Oct. 31; Hikawa Maru, Nov. 18; Hiye Maru, Dec. 5—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Russia (calls Nagasaki), Oct. 31; Empress of Japan (calls Honolulu), Nov. 14; Empress of Asia (calls Nagasaki), Nov. 27; Empress of Canada (calls Honolulu), Dec. 12—all Canadian Pacific; Talthybius (calls at Miike but not at Manila), Blue Funnel Line, Nov. 22.

*To Shanghai.*—Dunelmia, Ocean Shipping Co., late October.

*To Tsingtao and Dairen.*—Harpasa, Ocean Shipping Co., early November.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Tosari, Oct. 31; Silveray, Nov. 30—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Aorangi, Nov. 4; Niagara, Dec. 2—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Bear (calls at Lyttelton and Dunedin if sufficient cargo offered), Oceanic and Oriental Navigation Co., Nov. 15.

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Limerick, Canadian-Australasian Line, Nov. 25.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Tolken, Empire Shipping Co., Nov. 12.

*To Sydney, Melbourne and Adelaide.*—Wearpool, November; Uganda, November; Induna, November—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Dinteldyk, Oct. 31; Drechtdyk (calls at Glasgow), Nov. 14; Nebraska, Nov. 28; Damsterdyk (calls at Glasgow), Dec. 12—all Holland-America Line.

*To London, Liverpool and Cardiff.*—A steamer, Reardon Smith Line, November.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.*—A steamer, East Asiatic Co., October.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—San Jose, Empire Shipping Co., Oct. 26.

*To Scandinavian Ports.*—Annie Johnson, Nov. 9; Argentina, Nov. 19; Canada, Dec. 7—all Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Cellina, Empire Shipping Co., Nov. 15.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., October.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Siantar, Nov. 5; Silverpalm, Dec. 5—both Silver-Java Pacific Line.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Evanger, Oct. 27; Hoyanger, Nov. 27—both Empire Shipping Co.

### From New Westminster

*To London and Liverpool.*—Dinteldyk, Oct. 31; Drechtdyk, Nov. 15; Nictheroy, Nov. 29; Damsterdyk, Dec. 12; Lochgoil, Dec. 26—all Royal Mail Lines Ltd. (call at Glasgow, Southampton and Rotterdam); John Baake (calls at Glasgow, Manchester and Belfast but not at London), Canada Shipping Co., Nov. 8; Fresno Star, Nov. 10; Gaelic Star, Nov. 25; Ionic Star, Dec. 7; Albion Star, Dec. 21—all American Mail Lines Ltd. (call at Glasgow, Rotterdam and Newcastle); Parthenia, Nov. 15; Corrientes, Nov. 28; Gracia, Dec. 12—all Balfour Guthrie & Co. (call at Glasgow); Lauritz Swensen (calls at Hull and Oslo), Anglo-Canadian Shipping Co., Nov. 19.

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, B. W. Greer & Son Ltd., Nov. 10.

*To Australian Ports.*—Limerick (calls at New Zealand ports), Canadian-Australasian Line, Nov. 15.

*To South African Ports.*—Siantar, Dingwall Cotts & Co., Nov. 15.

*To Manila and Iloilo.*—Silver Ray, late November; Hopecrest, late December—both Dingwall Cotts Co.

**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

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**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL  
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No. 1709



Canadian made Motor Bus Chassis as supplied to the Municipality  
of Cawnpore, India.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LV

Ottawa, October 31, 1936

No. 1709

## CONCLUSION OF AGREEMENTS BETWEEN CANADA AND GERMANY

A Provisional Trade Agreement and a Payments Agreement between Canada and Germany were signed on October 22, 1936, by the Honourable W. D. Euler, Minister of Trade and Commerce, on behalf of Canada, and by Dr. Hans R. Hemmen, Counsellor of Embassy, who conducted the negotiations on behalf of the German Government.

These agreements take the place of the arrangement which came into effect on January 1, 1933, whereby Canada extended the Intermediate Tariff to German goods imported into Canada in return for most-favoured-nation treatment for Canadian goods imported into Germany. The advantages which Canada expected to derive from that arrangement were to a large extent nullified by the drastic control of the granting of foreign exchange introduced in Germany in September, 1934. The German exchange control has had the effect of greatly curtailing imports of Canadian goods into Germany, and the goods which have been imported have been comprised for the most part of metals and minerals. During the twelve months ending September, 1936, Canada imported from Germany goods to the value of \$10,716,631 and exported to that country goods to the value of \$5,745,021. It was to rectify this unfavourable situation respecting trade relations with Germany that the new agreements have been concluded. In respect to Canada the agreements are designed to meet two main purposes.

### BASIS FOR INCREASED EXPORTS TO GERMANY

The primary purpose is to provide a basis for increasing Canadian exports to Germany. That objective is met by the provision that henceforth the exchange accruing from the sale of German goods in Canada will be available for the purchase of Canadian goods. In other words, the dollar funds which Germany derives from her exports to Canada will be set aside by the German exchange authorities and released to German importers to enable them to pay for their imports from Canada. Heretofore—especially in the last two years—Canada's export business with Germany has been crippled by the difficulties experienced by German importers in obtaining the exchange permits necessary to enable them to make payment for Canadian products in dollars, sterling, or other foreign exchange.

## SIMPLIFYING METHODS OF EXPORT

The second and almost equally important purpose of the agreements is to simplify for the Canadian exporter the method of doing business with Germany. This objective too is served by the arrangement under which the dollar proceeds of German exports to Canada will create a fund for the payment of German purchases of Canadian products. In the absence of an arrangement of that nature the entry of Canadian goods into Germany has been greatly complicated by the requirements of the German system of exchange and import control. Most Canadian exports could be sold only on a barter basis. A limited list of products, essential to German economy, could be bartered on a 1:1 basis—that is, by taking in exchange German goods of equivalent value. For other products the barter ratio latterly has been 1:3, German goods having to be imported into Canada to a value three times as great as that of the Canadian export. Barter business is virtually unworkable under such a ratio. The German exchange control system has provided a third method of export to that country in the form of what are commonly known as “aski” accounts. Under this method the foreign exporter receives payment in reichsmarks which are deposited in a special account in a German bank. The exporter can liquidate his “aski marks” only by using them for the purchase of specified German goods or by selling them, usually at a heavy discount, to someone in a position to utilize them in that manner. The present agreements seek to simplify the method of doing export business with Germany, removing the need for resort to barter or to aski accounts, placing a fund of dollar exchange at the disposal of the German importer, and enabling the Canadian exporter to accept German orders with very little variation from the customary methods of carrying on trade.

## MOST-FAVOURLED-NATION TREATMENT

The Provisional Trade Agreement provides for the mutual exchange of most-favoured-nation treatment by each country to the products of the other country. The agreement will come into force fourteen days after the exchange of ratifications and shall remain in force until November 14, 1937, or thereafter until either of the two Governments shall have given two months' notice of termination. There is a provision in the agreement, however, which permits of its termination under certain conditions after four weeks' negotiations to remove any difficulties which might have arisen, and six weeks' notice of termination if the negotiations should not lead to a satisfactory settlement.

## EXCHANGE OF NOTES

The following is the text of a note which the Honourable W. D. Euler, Minister of Trade and Commerce, handed to Dr. Hans R. Hemmen on October 22, 1936, and which formed the basis of an exchange of notes giving effect to the provisions of the Provisional Trade Agreement respecting the customs treatment of goods as from November 15, 1936:—

“It being the desire of the Governments of Canada and of Germany to facilitate the commercial relations existing between the two countries pending the formal coming into force of the Provisional Trade Agreement signed this

day, I have the honour to inform you that the Government of Canada is prepared, on the basis of reciprocity, to give effect to the provisions of this agreement respecting the customs treatment of German goods imported into Canada as from the 15th day of November, 1936, the date on which the Payments Agreement between Canada and Germany will come into force.

"It is understood that this note and your reply on behalf of the German Government will constitute an agreement which shall remain in effect until terminated by the coming into force of the Provisional Trade Agreement in accordance with the provisions of Article 7 thereof or until six weeks after either Government shall have given notice to the other of its intention to terminate it."

#### PAYMENTS AGREEMENT

The Payments Agreement regulates payment for the exchange of goods between the two countries and provides that the exchange accruing from German exports to Canada shall be utilized for the purchase of Canadian goods imported into Germany. A Schedule is attached to the Agreement which has the effect of providing for the allocation of 63.1 per cent of the exchange accruing from German exports to Canada among certain specified commodities, the unallocated balance of 36.9 per cent being available for the purchase of commodities which are not included in the Schedule or for the purchase of additional quantities of the enumerated commodities. Among the percentages specified in the Schedule are: wheat, 35 per cent; asbestos, 8 per cent; fresh apples, 5 per cent; salted salmon, 2.5 per cent; lumber, 2 per cent; fish oil, 2 per cent; silver and black fox skins, undressed, 1.5 per cent; fish meal, 1.4 per cent; seeds, 1.25 per cent; wood-pulp, 1 per cent; and smaller percentages for dried apples; sausage casings; frozen eels; frozen salmon; cheese; honey; canned lobsters; pegwood; agricultural machinery parts; ice hockey equipment and salmon caviar. In the case of certain goods such as fresh apples; salted salmon; seeds; wood-pulp; dried apples; beef casings; frozen eels; frozen salmon; cheese; honey; canned lobsters; pegwood; agricultural machinery parts; ice hockey equipment; and salmon caviar. maximum amounts are fixed beyond which the percentages shall not apply in any one year, but in the case of wheat; asbestos; lumber; fish oil; silver and black fox skins, undressed; fish meal; and hog casings, no maximum annual amounts are fixed, and for these commodities Germany will allot the agreed percentages of the total available exchange irrespective of the total value of the trade.

#### SCHEDULE TO PAYMENTS AGREEMENT

The following is a list of the enumerated commodities, the percentages of the available foreign exchange and the annual maximum amounts specified in the Schedule to the Payments Agreement:—

Commodity	Percentage	Annual Maximum
		Value \$
Wheat* . . . . .	35.0	**
Apples, fresh . . . . .	5.0	600,000
Apples, dried . . . . .	0.6	60,000
Cheese . . . . .	0.2	20,000
Honey . . . . .	0.2	20,000

\* To be imported through the Reich Control Board for Grain and Feeding Stuffs, Berlin, or with its permission. \*\* No maximum.

*Schedule to Payments Agreement—Concluded*

Commodity	Percentage	Annual Maximum
		Value \$
Sausage casings:		
Beef casings (of which not more than one-third to be beef middles) . . . . .	0.5	60,000
Hog casings . . . . .	0.25	**
Seeds . . . . .	1.25	160,000
Salmon, salted . . . . .	2.5	275,000
Salmon, frozen . . . . .	0.25	25,000
Salmon caviar . . . . .	0.15	15,000
Eels, frozen . . . . .	0.5	75,000
Lobsters, canned . . . . .	0.2	20,000
Fishmeal . . . . .	1.4	**
Fish oil . . . . .	2.0	**
Black and silver fox skins, undressed . . . . .	1.5	**
Lumber, sawn . . . . .	2.0	**
Pegwood . . . . .	0.2	20,000
Wood-pulp . . . . .	1.0	100,000
Asbestos . . . . .	8.0	**
Parts of agricultural machines . . . . .	0.2	20,000
Ice hockey equipment (skates with and without boots, sticks, etc.) . . . . .	0.2	20,000

\*\* No maximum.

## CANADIAN EXPORTS TO GERMANY ENUMERATED IN SCHEDULE TO AGREEMENT

The following are the values of the exports to Germany during the twelve months ended September, 1936, of the commodities enumerated in the Schedule to the Payments Agreement:—

	Value
Wheat . . . . .	\$845,790
Apples, fresh . . . . .	13
Apples, dried . . . . .	40,802
Cheese . . . . .	296
Honey . . . . .	12
Sausage casings . . . . .	76,862
Seeds . . . . .	6,297
Salmon, pickled . . . . .	83,612
Salmon, frozen . . . . .	10,097
Salmon caviar . . . . .	*
Eels, frozen . . . . .	16,256
Lobsters, canned . . . . .	4,038
Fishmeal . . . . .	12,233
Fish oil . . . . .	19,789
Black and silver fox skins, undressed . . . . .	8,463
Lumber, sawn . . . . .	28,741
Pegwood . . . . .	*
Wood-pulp . . . . .	39,328
Asbestos . . . . .	691,251
Parts of agricultural machines, n.o.p. . . . .	11,290
Ice hockey equipment (skates with and without boots, sticks, etc.) . . . . .	10,931

\* Not separately stated.

The Payments Agreement will come into force on November 15, 1936, and shall remain in force for a period of one year or thereafter until either of the two Governments shall have given two months' notice of termination. There is a provision in the Payments Agreement, however, whereby in the case of any difficulties arising either of the two Governments can ask for negotiations and if these negotiations within four weeks do not lead to a satisfactory settlement six weeks' notice of termination can be given.

Canadian exporters should keep particularly in mind two features of the new trading arrangement. First, their chief concern in accepting German orders will be to make certain that the German importer has applied for and received the necessary exchange permit. Secondly, the absence of any Canadian export product from the list given above does not mean that export business with Germany in that product is cut off. It simply means that the German importer will have to secure the funds to pay for such imports from the unallotted percentage of the total amount of foreign exchange created by Germany's sales to Canada.

## ECONOMIC AND FINANCIAL CONDITIONS IN NEW ZEALAND

H. L. E. PRIESTMAN, ASSISTANT TRADE COMMISSIONER

Auckland, September 25, 1936.—During the past twelve months business conditions have been progressively more active in New Zealand, although there have been some unusual intermissions affecting the rate of progress towards prosperity. Apart from seasonal occurrences, events abroad have promoted the demand and improved the prices for primary products—notably wool, meats, butter, and cheese—which New Zealand produces in large quantities, while at home there have been political and economic changes of deep significance.

### GOVERNMENT'S LEGISLATIVE PROGRAM

The Government of New Zealand which took office in November, 1935, has sponsored most of these changes, the most notable to date being the reconstruction of the Reserve Bank along lines giving the Government full control of monetary policy, and the establishment of a Department of Marketing with special powers affecting at present chiefly dairy produce. In parallel with these movements, the Legislature has established the 40-hour week for most factories with increased rates of minimum wages for factory, shop, and office workers. In addition, wage and salary cuts have been restored to employees generally so as to bring their current earnings up to not less than the rates prevailing in 1931.

### RESTORATION OF RATES OF REMUNERATION

The restoration of rates of remuneration is in broad measures, such as the Finance Act, 1936, retrospective to July 1, 1936, that include all civil servants, railway employees, school teachers, office employees, and manual workers employed in New Zealand, whether under industrial or other awards and agreements, or under contracts of service. It is an offence to dismiss any worker in order to deprive him of benefits of increased wages or reduced working hours and the burden of proof that dismissal is not in contravention of the Act lies on the employer.

### PRICE CONTROL

Price control has been applied to a greater or lesser degree in the case of gasoline, fertilizers, bread, flour, and wheat, as well as some other commodities. Special powers have been taken to prevent profiteering by prohibiting the making of unreasonable increases in the prices charged for goods and services, and to investigate breaches of the Prevention of Profiteering Act, 1936.

### FAIR RENTS ACT

The Fair Rents Act, 1936, may be placed in a similar category to the last-mentioned legislation, as being designed to cover the transition period, until the effects of the new ordinances can be gauged, and any necessary consolidation carried out. While many of these are relatively minor changes, their cumulative effect is substantial. The guaranteed price policy for all dairy produce is a momentous change, and the scale of prices was announced early in August, as reported in *Commercial Intelligence Journal* No. 1705 (October 3), page 634.

### NEW ZEALAND'S SOCIAL LEGISLATION

Perhaps it may be advisable to state for the benefit of Canadian observers that to New Zealanders their social legislation seems less drastic and affects their standard of living to a lesser degree than might be the case in some other countries which have not been accustomed, like New Zealand, to a system of

forty years' growth whereby State control has gradually replaced private enterprise or worked in parallel with it in many fields of endeavour.

All changes have met with some degree of opposition from vested interests, but their hostility soon disappears because of a feeling of the inevitability of such occurrences. Furthermore, with a constitution based on a central government with paramount power to pass legislation over all local governing and administrative bodies, there is no question regarding infringement of provincial or other rights. In fact, the provincial governments of New Zealand were abandoned many years ago, as was natural, as soon as inter-communication between the scattered communities sufficiently improved for a central government to function properly. With the Dominion Government as the fountain from which flows the power of the next largest public bodies, the city councils, borough and county councils, there is obviously no great difficulty to the New Zealand Government in rapidly decreasing or increasing those powers by amending legislation that cannot be contested as *ultra vires*.

These considerations may partly account for the generally efficient manner in which the social legislation and State ownership policy has worked and broadened in the last forty years, though the remoteness of New Zealand from other countries has also enabled experimentation to be conducted fairly free from outside influences, and with a minimum of disturbance to itself or other countries.

With these as a starting point, and a conscious monetary policy directed by the State, the further steps have not seemed rapid nor drastic, but merely transitional to people who have grown up in this atmosphere. Furthermore, the accession to office of the first Labour Government took place when conditions were improving and prices rising, so that the provision of funds for schemes of social betterment has not created an apparent undue burden on the buoyant revenues of the present time.

#### BUDGET

Following on the active parliamentary sessions of this year, the Minister of Finance, the Honourable W. Nash, introduced his first Budget, that for 1936-37, on August 4. The Budget contains no alterations in the customs tariff, although that will apparently receive attention after the Minister has visited the United Kingdom and consulted with the British Government on trade matters. It is characterized as orthodox, and a small surplus of £13,000 is allowed for, out of estimated revenue of £31,067,000, over expenditure of £31,054,000, for the fiscal year ending March 31, 1937.

There are several fiscal changes in the new budgetary proposals, notably alterations in income tax involving substantial scaling up of taxation in the higher brackets, and reintroduction of the graduated land tax, with a reduction of exemptions formerly conceded, mainly affecting the higher-valued properties.

#### GRADUATED LAND TAX

The graduated land tax is expected to yield £1,300,000, or three times the present revenue from the present land tax, and the increased yield is largely earmarked for additional pension schemes. It was originally a measure aimed at the breaking up of large estates, according to the report of the 1924 Royal Commission on Land and Income Tax, but it now affects both rural and urban properties.

The levy is to be a flat rate of a penny in the pound of taxable balance of unimproved value up to £5,000—that is, after deduction of permissible exemptions or mortgages. It increases by steps so that the tax is at a rate of two-pence in the pound at £13,000, threepence at £21,000, and so on, up to sixpence at £45,000, unimproved value. In the words of the Minister of Finance:—

Land values that accrue through public activities and increased population should automatically come to the State, and the policy of the Government will be directed to this

end. The procedure will mean the minimum taxation on the working farmer and home-owner, with increasing rates on abnormally large holdings and other areas, held in many cases for speculative profit instead of for use in production.

#### INCOME TAX

The income tax rates are somewhat simplified in manner of application, and comparison of the present and past scales, in the case cited of a married man with two children, shows that there are relatively small increases up to an earned income of £1,500, where the tax is approximately 10 per cent (actually £149 3s.), but thereafter the tax rises more steeply. The income tax on such a person is fairly closely in line with what it would be in the United Kingdom. With individuals, but not in the case of companies, there is a general exemption of £210 of income.

#### INCOME TAX ON COMPANIES

With respect to taxation on companies, the basic rate is 1s. in the pound (5 per cent), increased by  $\frac{1}{400}$  of a penny for every pound of taxable balance up to £5,500, and thereafter  $\frac{1}{150}$  of a penny for every pound up to a maximum of 7s. 6d. in the pound (equivalent to  $37\frac{1}{2}$  per cent) reached at £8,950. Allowing for better business conditions, and with the additional tax imposed, the yield from income tax is estimated to be £6,000,000, a total increase of £1,419,000 over last year's receipts.

#### VOTE INCREASES

A general increase has taken place in the vote for pensions, and several additional types of pensions and allowances have been instituted, while further social legislation is foreshadowed in the nature of a national health and super-annuation scheme, including full medical, maternity, and dental care. The total pension vote proposed is £5,480,000. A marked expansion of public works expenditure is included in the proposals for railway construction, buildings and land development, as well as highways maintenance, calling for an outlay of £10,450,000 in the year.

#### PUBLIC DEBT

The long-term public debt increased by £1,979,881 to a total at March 31, 1936, of £282,561,098. This increase was wholly internal, as the external debt has decreased by £2,851,200, and it is the Government's policy to further reduce the amount of overseas indebtedness. The domicile of the total public debt is £158,711,930 in London, £1,592,650 in Australia, and £122,256,518 in New Zealand.

#### FINANCIAL METHODS AS AFFECTING DEPARTMENTS

The utilization by the Government of the services of the Reserve Bank has resulted in considerable saving of interest on treasury bills and, consequent on the surplus of revenue over expenditure, no treasury bills were outstanding at March 31, 1936. The financial methods used in New Zealand result in each department being run practically as a separate trading entity, producing its own balance sheet for ultimate consolidation in the Government accounts as a whole. Some departments with surplus funds are in a position, through the Treasury, to lend to other departments, and for the financing of the various projects in the 1936-37 Budget it seems unlikely that it will be necessary for the Government to go outside of its own departments, or to have recourse to even the domestic bond market.

An increase of expenditure of over £650,000 is provided in the Education Department estimates, which rise to £3,449,689. Defence estimates provide for the expenditure of £1,264,530, and include a substantial increase of £250,100 over last year.

## REVENUE

The actual revenue for 1935-36 was characterized by buoyancy throughout, and at £26,172,367 it exceeded the original Budget estimates by £430,000. The total expenditure in 1935-36 was £25,890,567, so that a surplus of £281,800 was realized on the year's operations.

## STATE HOUSING SCHEME

## ERECTION OF JOINERY FACTORIES

An important step has been taken in the direction of a State housing scheme, with the announcement on September 10 that arrangements have been made by the Government with the Reserve Bank for the provision of £3,500,000 to be made available to the Ministry of Housing. Subsequently it was announced that the State Advances Corporation had accepted tenders for the immediate erection of two joinery factories, one at Auckland and the other at Wellington, where definite shortages of housing exist. It is intended to install the most modern joinery equipment for making sashes, doors, and other wood-work, as well as to provide drying kilns of substantial capacity, so that continuous supplies of dry timber may be available for the work.

These State factories will supplement private sources of supply of joinery, and will also enable the Ministry of Housing to take advantage of all the benefits of large-scale production of standardized articles. Every endeavour will be made to utilize products of New Zealand make, but where New Zealand industry cannot meet the Housing Department's requirements, British manufactures will be given the first preference. It is apparently intended to establish in connection with the housing scheme a list of acceptable New Zealand and British materials, though no further announcement in this direction has yet been forthcoming.

## CHANGE IN BUILDING SUBSIDY REGULATIONS

Attention may, however, be drawn to a change in the building subsidy regulations, which formerly permitted, for example, the use of a Canadian-made electric range, but with a definite penal deduction from the amount of the subsidy if a New Zealand-made range were not used. Under the present regulations, if, as in the example quoted, a New Zealand product is available but not used, no subsidy will be allowed. In other words, in those instances where the use of specified products was optional, with a penalty for the use of imported materials, it is now compulsory to use only the New Zealand product.

As affecting a principal material available from Canada, such as lumber for house construction, it is understood that even if the timber has been sawn in New Zealand, but the logs have been imported, the use of that timber (except for the precise purpose and in the location permitted by the regulations) would prevent the subsidy being paid. In consequence it is believed that the opportunities for Canadian building products under the housing scheme will be of minor importance, yet the stimulation of the building industry, and the increased consumption of New Zealand timber and other products, may create openings in other directions for Canadian goods, and in the case of timber it may be more advantageous in construction outside the subsidy scheme to use the Canadian product because New Zealand timbers have advanced substantially in price.

## LIVING CONDITIONS AND WAGES OF AGRICULTURAL WORKERS

When legislative provision was made recently for increased minimum wages for industrial, shop, and office workers, it did not extend to agricultural workers, but mention was made that their conditions would receive consideration after the establishment of guaranteed prices for butter and cheese. In September an

Act was passed making better provision for the accommodation of agricultural workers, and to make special provisions with respect to the remuneration of workers on dairy farms and the conditions of their employment. This measure, entitled the Agricultural Workers Act, 1936, details the living accommodation to be provided, and for inspection of such accommodation. It prohibits the employment for hire of children under fifteen years of age on dairy farms.

The statutory minimum rates of wages of agricultural workers on dairy farms between October 1, 1936, and July 31, 1937 (on which date any new guaranteed price schedule for dairy produce would go into effect), are set out below.

Age of Worker	Wages per Week Board and Lodging Provided		
	£	s.	d.
Under 17 .....	0	17	6
17 to 18 .....	1	2	6
18 to 19 .....	1	7	6
19 to 20 .....	1	12	6
20 to 21 .....	1	17	6
21 and upwards .....	2	2	6

If board and lodging are not provided, the minimum rates are increased by 17s. 6d. per week in each case. Seven days' holidays with pay shall be allowed each worker for each twelve weeks of employment, with a minimum of twenty-eight days per full year, or, if a regular weekly half-holiday from noon has been given, the holidays allowed are fourteen days (or a proportionate part thereof for every part of a year of employment) for each year of employment.

FALL OF BUTTER PRICES

Insufficient time has elapsed since the commencement on August 1 of the guaranteed prices for dairy produce of this season's make to reach the London market. Although at the precise time the prices were announced they were somewhat below the f.o.b. equivalent of current London prices, the situation has undergone a rapid alteration, and now (September 25) the Government price for butter is substantially greater than London parity, as butter prices on the London market have fallen to 100s. per hundredweight (of 112 pounds). This has temporarily justified the setting of the guaranteed price at a figure which was criticized by dairy farmers as being too low, but which may eventually prove the reverse.

NOTES ON THE MARKET IN THE NORTH OF ENGLAND FOR  
DOMESTIC LIGHTING FITTINGS

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Liverpool, October 9, 1936.—The market in the North of England and North Midlands for domestic lighting fittings has been expanding steadily during the past four or five years. The construction on a large scale of dwelling houses for the lower and middle classes, combined with the gradual reduction in charges for electric current, have been largely responsible for this expansion. A householder can now have two or three lights in a room where only a few years ago the cost of electricity would have limited him to probably one. The use of table and floor lamps, wall brackets, and ceiling drops of two or more lights is therefore a growing one. It is only in recent years that newly erected medium- and low-priced houses have been equipped with floor plugs for lamps and heating appliances.

SOURCES OF SUPPLY

No statistics are available to show the production and sales of lighting devices, but one authority estimates that of those sold in this country 80 per cent

are of British manufacture. The other 20 per cent are foreign, chiefly from the Continent and the United States, the proportions credited being 8 per cent and 12 per cent respectively. The British products on the whole are not as low-priced as the foreign, and for this reason, as well as owing to the more advanced and distinctive designs of the latter, there exists, and it is believed will exist, a demand for the imported product. Foreign fittings are assessed at 20 per cent *ad valorem* on entry into this market. This duty is based on *c.i.f.* values. Freight charges are high owing to the bulky nature of the goods.

#### DESIGNS IN LIGHTING

The types and designs of fixtures and lamps in growing demand are numerous. They are on the lines generally of those to be found in homes in North America, with the exception of standard lamps. Very few standard lamps are to be seen in English houses, but they are reported to be gaining in favour. The greatest demand is for ceiling drops, or chandeliers, and wall brackets made up of three or four lights in the case of the former and of one or two in the case of the latter. Attractive bathroom fixtures are also in good demand. More latitude is allowed in these in the way of strip lighting and bright colours. Standard equipment throughout is the bayonet socket—an important point to remember in shipping to this market. On lamps the push type of switch is essential. All fittings must be designed for A.C. current, voltage 220/250 at 50 cycles.

The whole country is rapidly reaching the stage where all districts will have an accessible supply of A.C. current on a standard voltage. Schemes now nearing completion and others projected will in a very few years bring in many more consumers, some of whom at present have only gas or oil for lighting fuel. For instance, the Galloway Scheme in the South of Scotland, which will be completed next year, is expected to create 50,000 new potential users of electricity and purchasers of electric fittings for light and heating.

#### MARKETING METHODS

The British manufacturer sells to the factor or wholesaler, who in turn sells to the retailer. The retailer's profit works out at about  $33\frac{1}{3}$  per cent, and the factor's about 20 per cent. The exception to this procedure is in the case of the large departmental stores, who by placing sizeable orders can purchase direct from the manufacturer.

American and Continental suppliers market their goods through agents or distributors who take the place of the manufacturer in this country. The distributors sell in the usual manner to the wholesalers and to the large stores. Their margin of profit must be sufficient to allow for several charges such as travellers' wages, advertising, carriage, etc., and at the same time net him a reasonable profit, say about 15 per cent.

Another outlet for lighting appliances is through the municipal corporations, who with very few exceptions control the supply and distribution of electric current to their surrounding areas. These bodies sell all manner of electric appliances and fittings—usually on the hire purchase plan. In this way the consumer can purchase lighting appliances on very reasonable terms and pay for them quarterly with his lighting account. The corporations, as a rule, buy from the wholesaler.

Assistance in the matter of advertising by circularizing and supplying posters, catalogues, and other literature is expected from their principals by the distributors of imported goods. One American firm shipping to Liverpool have gone to the extent of sending illustrated postcards to a large number of English wholesalers. It is stated on the cards that if the wholesaler is interested a complete catalogue will be sent him. This helps the distributor to widen his market.

## PROSPECTS FOR CANADIAN EXPORTERS

Electric fixtures and lamps from the United States now find a market in the United Kingdom. If Canadian firms can supply to the same standard of quality and design, there is a good prospect of their participation in this trade. No duty is charged on Empire products of this nature. It should be noted, however, that to develop worthwhile sales the exporter must be prepared to assist his distributors in every reasonable way. It is quite probable that one or two Canadian firms are already finding a market in the United Kingdom, but as far as it is known no Canadian lighting products are on sale in the North of England. This market is a limited one as compared with that offered in the London area, where the interest in attractive lighting is more advanced.

Firms interested in going into this matter further are requested to communicate with the Canadian Trade Commissioner, Liverpool, supplying catalogues and c.i.f. prices.

## TRADE OF SOUTHERN RHODESIA IN 1935

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, September 9, 1936.—The annual statement of the trade of Southern Rhodesia recently published indicates that the improvement in trade noted in 1934 has continued throughout 1935 and that the values of both imports and exports exceeded that of the previous year.

## MINING INDUSTRY

Activity in gold mining, which has been marked as a result of the gold premium, increased and resulted in a further expansion in this industry. Gold bar exports, which amounted to 700,308 fine ounces valued at £2,974,726 in 1934, increased to 724,896 fine ounces valued at £3,079,164 in 1935.

Gold mining is a small-scale industry in Southern Rhodesia, where there are innumerable mines and mine companies. This is in direct contrast to the Union of South Africa, where it is in the hands of a few large groups. The profits accruing from any increase in gold production in the colony are shared by individuals throughout the whole community. Although gold is responsible for a large percentage of the revenue, the mining industry is not confined to the production of this metal. Other important minerals, notably chrome, coal, and asbestos, are produced. Large increases occurred in the value of exports of these products in 1935 compared with the previous year: raw asbestos, £792,517 (£577,749); chrome ore, £289,465 (£173,998); and coal, £166,699 (£130,023).

As was the case in 1934, agriculture did not share in the general trade expansion and exports of tobaccos, meats, maize, and citrus fruits declined as compared with the previous year. The secondary industries, however, kept pace with the mining expansion and the steady progress of 1934 was maintained.

## IMPORTS AND EXPORTS

The value of total imports and exports, including re-exports, for the past five years was as follows:—

	Imports	Exports
1931 .....	£5,685,529	£5,894,099
1932 .....	4,272,127	5,387,251
1933 .....	4,581,057	5,481,097
1934 .....	5,309,254	6,560,883
1935 .....	6,555,997	6,958,343

The value of the "gold premium" not included in the export figures was estimated at £943,000 in 1932, £1,270,000 in 1933, £1,844,000 in 1934, and

£2,070,000 in 1935. With the inclusion of the estimated gold premium the total trade of Rhodesia in 1935 was valued at £15,584,340, an increase over the previous year, when it amounted to £13,714,137.

#### ANALYSIS OF IMPORT TRADE

In the trade returns imports of private merchandise, specie, and government stores are segregated. In the import figures given above these three groups are all included in arriving at total imports. In this analysis it is proposed to deal only with private merchandise, imports of which were valued at £6,273,592 in 1935 and £5,193,219 in 1934. Empire countries supplied imports valued at £4,582,833 (73 per cent) of the total imports in 1935 compared with £3,932,846 (75·7 per cent) in 1934. Foreign countries were credited with imports amounting to £1,690,759 (27 per cent) and £1,260,373 (24·3 per cent) in the two years. Imports from foreign countries increased by £430,386 or 39·2 per cent, while imports from British countries in 1935 exceeded those of the previous year by £649,987 or 70·4 per cent. The principal sources of Southern Rhodesia's imports in the calendar years 1935 and 1934 were as follows:—

Country	1935	Per Cent	1934	Per Cent
United Kingdom . . . . .	£2,974,907	47·4	£2,400,004	46·2
Union of South Africa . . . . .	1,091,937	17·3	1,043,192	20·1
United States . . . . .	596,098	9·5	451,677	8·7
Canada . . . . .	240,600	3·8	231,819	4·5
India . . . . .	159,197	2·5	141,111	2·5
Japan . . . . .	156,719	2·4	114,292	2·2
Germany . . . . .	143,700	2·2	108,692	2·1
Portuguese East Africa . . . . .	130,050	2·0	138,595	2·7

#### PRINCIPAL IMPORTS

Noteworthy increases were registered in the majority of the main groups into which Southern Rhodesia's imports are classified. Imports under the headings of "leather, rubber, and manufactures thereof" and "miscellaneous" declined in value in 1935 when compared with the previous year. These decreases, were, however, offset by the gains recorded in other groups which reflect the progressive improvement in the trade of the colony. Imports of machinery of all kinds, including mining, electrical, industrial, and agricultural, increased substantially, while corresponding gains were shown in imports of motor cars, motor trucks and vans, and railway material. Wheat, sugar, tea, and preserved fish were responsible for the increase under agricultural products and foodstuffs.

#### IMPORTS BY MAIN GROUPS

The following table shows Southern Rhodesia's imports in main groups for the calendar years 1935 and 1934:—

	1935	1934
Animals, agricultural products and foodstuffs . . . . .	£ 575,828	£ 528,036
Ales, spirits, wines and beverages . . . . .	146,004	131,637
Tobacco . . . . .	25,358	19,007
Fibres, yarns, textiles and apparel . . . . .	1,310,593	1,075,206
Metals, metal manufactures, machinery and vehicles . . . . .	2,308,457	1,767,834
Minerals, earthenware, glassware and cement . . . . .	86,300	75,564
Oils, waxes, resins, paints and varnishes . . . . .	439,314	269,454
Drugs, chemicals and fertilizers . . . . .	363,846	322,487
Leather, rubber and manufactures thereof . . . . .	212,120	222,708
Wood, cane, wicker and manufactures thereof . . . . .	185,368	173,316
Books, paper and stationery . . . . .	171,178	158,323
Jewellery, timepieces, fancy goods and musical instruments	120,548	99,787
Miscellaneous . . . . .	328,678	349,860
Total private merchandise . . . . .	£6,273,592	£5,193,219
Government stores . . . . .	100,642	77,424
Specie . . . . .	181,763	38,611
Grand total imports . . . . .	£6,555,997	£5,309,254

Government stores, valued at £69,973 (69·5 per cent) of the total, were credited to the United Kingdom in 1935 compared with £72,008 (93 per cent) in 1934. Egypt was credited with imports valued at £18,066 (nil in 1934), followed by the Union of South Africa with £7,390 (£2,345), the United States with £1,450 (£398), and Canada with £948 (£939).

The largest single item imported in the year under review was cotton piece-goods amounting in value to £393,566 (£283,473). In addition to cotton piece-goods, the principal imports include: —

Motor cars, £297,813 (£273,743); outer garments, £249,773 (£207,273); other mining machinery, £227,798 (£145,654); motor spirit, £195,440 (£82,749); industrial machinery n.e.e., £141,353 (£104,528); motor trucks and vans, £133,476 (£74,305); blasting compound, £114,115 (£147,896); sodium cyanide, £112,531 (£95,897); sugar, £95,459 (£85,544); engines, £96,986 (£68,217); cotton underclothing, £89,037 (£80,054); whisky, £78,719 (£70,770); haberdashery and millinery, £76,076 (£63,575); pipes and piping, £76,044 (£54,500); bicycles, tricycles, and parts, £73,657 (£50,796); cotton blankets and rugs, £75,174 (£53,260); other electrical machinery n.e.e., £69,234 (£37,834); jute bags, £55,377 (£61,680); furnishings, drapery, other, £54,908 (£45,550); lubricating mineral oils, £53,877 (£47,204); wheat in the grain, £50,639 (£33,734); and fertilizers other than superphosphates, £50,605 (£50,451).

#### SOUTHERN RHODESIA'S EXPORT TRADE WITH EMPIRE COUNTRIES

British Empire countries are the principal purchasers of Southern Rhodesia's exports. As the foregoing table indicates, the total value of exports and re-exports, not including the gold premium, amounted to £6,958,343 in 1935 compared with £6,560,883 in 1934. In these two years exports and re-exports of private merchandise to Empire countries were valued at £5,864,974 (85·1 per cent) and £5,715,750 (88·1 per cent) respectively. The United Kingdom, the colony's best customer, took exports valued at £4,126,153 (59·8 per cent) in 1935 and £4,154,193 (64 per cent) in 1934. Exports and re-exports to other important Empire purchasers in the year under review were as follows: Northern Rhodesia, £1,087,118 (15·7 per cent) and £1,042,613 (16·1 per cent) in 1934; Union of South Africa, £581,396 (8·4 per cent) and £448,588 (7 per cent); Australia, £29,025 (0·42 per cent) and £20,777 (0·33 per cent); and Canada, £13,343 (0·19 per cent) and £23,740 (0·4 per cent).

#### RE-EXPORT TRADE

Due to its strategic position and transportation facilities, Southern Rhodesia carries on a large re-export trade. As a result, re-exports constitute an important part of the total exports; in 1935 re-exports of private merchandise were valued at £828,153 (12 per cent of total exports) compared with £865,639 (13·3 per cent) in 1934. Re-exports to Northern Rhodesia amounted to £575,466 in 1935 as against £552,990 in 1934; Union of South Africa, £172,333 (£149,137); United Kingdom, £35,816 (£39,382); Portuguese East Africa, £28,485 (£21,998); Belgian Congo, £7,003 (£6,291); and Nyasaland, £5,428 (£5,216).

#### SOUTHERN RHODESIA'S EXPORT TRADE WITH FOREIGN COUNTRIES

Total exports and re-exports of private merchandise to foreign countries were valued at £557,104 in 1935 as against £488,322 in the previous year. The United States, the largest foreign customer, took exports and re-exports valued at £195,008 (2·8 per cent) in 1935, an increase over 1934, when they were valued at £112,442 (1·7 per cent). The United States was followed by the Belgian Congo with £65,926 (0·9 per cent) in 1935 and £89,141 (1·4 per cent) in 1934; Portuguese East Africa, £56,796 (0·8 per cent) and £52,791 (0·8 per cent); and Norway, £52,441 (0·7 per cent) and £55,775 (0·8 per cent). Private merchandise valued at £467,829 in 1935 and £281,830 in 1934, mainly asbestos and animal products, is not credited to any country as the ultimate destination at time of shipment was unknown.

## PRINCIPAL EXPORTS

The mining industry is responsible for the bulk of the total export of the colony. Exports falling into minerals and metals categories accounted for 69 per cent of the total in 1935 as against 65·5 per cent in 1934. In addition to gold, asbestos, chrome, and coal mentioned above, other important exports in these groups were:—

Building cement, valued at £83,932 in 1935 and £54,492 in 1934; coke and patent fuel, £55,163 and £61,387; and silver bar, £15,073 and £13,880. Tobacco is the chief agricultural crop produced and total exports of this commodity declined from £833,871 in 1934 to £717,867 in 1935. Unmanufactured tobacco exports—which amounted to 17,917,849 pounds valued at £652,002 in 1935 compared with 21,185,658 pounds to a value of £769,283 in 1934—account for the decline in total tobacco exports, as cigarette exports showed an increase in value from £56,444 in 1934 to £57,060 in the year under review. Other manufactured tobacco exports also showed a slight increase from £7,452 in 1934 to £8,018 in 1935.

In addition to the above the chief exports of the colony include meats, fresh, frozen, or chilled, valued at £150,996 in 1935 and £106,530 in 1934; wet and dry cattle hides, £103,133 and £88,746; maize, £72,862 and £106,459; citrus fruits, £32,006 and £73,526; preserved meats, £28,107 and £23,749; wheat flour and meal, £23,601 and £28,929; butter, £15,770 and £30,605; bacon, £10,446 and £11,327; meat extracts and essences, £12,470 and £18,864.

## CANADA—SOUTHERN RHODESIA TRADE

Canada furnishes a variety of products to Southern Rhodesia, and in the year under review was in fourth position, a similar place to that held in 1934, as a supplier of private merchandise, being preceded only by the United Kingdom, the Union of South Africa, and the United States. Imports of private merchandise from Canada were valued at £240,600 (3·8 per cent) of the total in 1935 compared with £231,819 (4·5 per cent) in 1934 and £162,722 (3·7 per cent) in 1933. Imports of Government stores from Canada were valued at £9,481, £939, and £54 respectively in the three years. Although imports from Canada increased in value in 1935 as compared with 1934, the percentage of the total decreased.

The chief commodities imported from Canada were motor cars, motor trucks and vans, wheat, sodium cyanide, hosiery other than woollen or cotton, agricultural machinery and implements, and motor car tires. These seven items accounted for 76 per cent of the total imports from Canada in 1935. Increases were registered in the majority of commodities supplied by Canada with the exception of sodium cyanide, imports of which were valued at £14,885 in 1935 and £19,347 in 1934; motor car tires, £9,757 (£26,018); motor car parts and accessories, £3,075 (£3,262); manufactured lumber, £2,409 (£4,780); pipes and piping, £1,936 (£2,070); motor car tubes, £1,279 (£3,125); printed, ruled, and embossed paper, £358 (£396); and motor chassis, £304 (£2,766).

It is interesting to note that Southern Rhodesia made a direct shipment of chrome ore valued at £13,343 to Canada in 1935, and this item accounted for the total value of the exports to the Dominion. There were no exports of maize to Canada in the year under review compared with shipments amounting in value to £23,740 in 1934.

## PRINCIPAL IMPORTS OF INTEREST TO CANADIAN FIRMS

The following statistics list the principal articles imported into Southern Rhodesia which are of interest to Canadian exporters. In each case the total importation is given for 1935 and (in parentheses) for 1934:—

*Motor Cars.*—Total, £297,813 (£273,743): United States, £83,081 (£85,562); South Africa, £85,688 (£70,902); United Kingdom, £61,971 (£58,963); Canada, £66,083 (£57,516).

*Motor Trucks and Vans.*—Total, £133,476 (£74,305): Canada, £45,809 (£36,838); South Africa, £46,799 (£16,663); United States, £24,056 (£14,952); United Kingdom, £16,269 (£5,702).

*Wheat.*—Total, £50,639 (£33,734): Canada, £23,802 (£17,343); Australia, £19,447 (£14,985); Northern Rhodesia, £4,839 (£980).

*Sodium Cyanide*.—Total, £112,531 (£95,897): United Kingdom, £94,718 (£73,969); Canada, £14,885 (£19,347).

*Hosiery, Other than Woollen and Cotton*.—Total, £22,908 (£20,343): Canada, £11,685 (£9,795); United Kingdom, £5,079 (£5,932); United States, £2,571 (£1,747).

*Agricultural Machinery and Implements*.—Total, £3,519 (£3,984): United Kingdom, £666 (£756); United States, £415 (£48); South Africa, £334 (£664); Canada, £109 (£143).

*Motor Car Tires*.—Total, £49,857 (£72,132): United Kingdom, £37,310 (£37,996); Canada, £9,757 (£26,018); United States, £1,501 (£2,968).

*Paper, Printing*.—Total, £16,789 (£14,916): United Kingdom, £7,863 (£7,012); Canada, £4,285 (£2,858); Norway, £2,076 (£2,264).

*Motor Car Parts and Accessories*.—Total, £37,713 (£41,683): United States, £21,665 (£21,676); United Kingdom, £11,304 (£14,048); Canada, £3,075 (£3,262).

*Fish, Preserved*.—Total, £23,304 (£18,307): United Kingdom, £6,452 (£4,472); Norway, £4,585 (£3,957); Russia, £3,016 (£3,902); Canada, £2,573 (£2,011).

*Manufactured Lumber, n.e.c.*—Total, £19,197 (£17,380): United Kingdom, £2,908 (£3,017); Canada, £2,409 (£4,780); Finland, £1,060 (£179).

*Pipes and Piping*.—Total, £76,044 (£54,500): United Kingdom, £61,031 (£41,524); Poland, £3,893 (£6,647); Germany, £5,389 (£3,215); Canada, £1,936 (£2,070).

*Nails, Wire*.—Total, £3,992 (£3,168): Canada, £1,522 (£972); United States, £660 (£337); United Kingdom, £456 (£458).

*Pine, Unmanufactured*.—Total, £40,514 (£31,491): Finland, 27,299 (£15,898); United States, £9,410 (£6,940); Sweden, £1,904 (£7,670); Canada, £1,393 (£652).

*Rubber Manufactures, n.e.c.*—Total, £10,239 (£9,082): United Kingdom, £4,994 (£4,651); South Africa, £2,375 (£1,757); Canada, £1,346 (£1,124).

*Apparel, Outer Garments*.—Total, £249,773 (£207,237): United Kingdom, £141,468 (£118,000); South Africa, £74,504 (£62,476); United States, £9,944 (£8,626); Canada, £1,322 (£265).

*Motor Car Tubes*.—Total, £7,529 (£11,194): United Kingdom, £6,141 (£7,057); Canada, £1,279 (£3,125).

*Tools, Mechanics*.—Total, £33,592 (£23,254): United Kingdom, £19,693 (£14,382); United States, £8,858 (£5,321); Canada, £1,274 (£644).

*Pine, Other*.—Total, £10,556 (£7,480): Australia, £1,588 (£1,163); Canada, £1,163 (£726).

## THE INDIAN MARKET: POINTS FOR EXPORTERS

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

### Introductory

Calcutta, September 1, 1936.—Among the markets of the world, India with its immense population of more than 352,000,000 is a market of which full advantage has not been taken by Canadian exporters. Competition is keen, particularly with products of the United Kingdom, with Germany, Austria, and other European Continental countries, and with Japan and the United States, but there are many specialty lines in hardware, paper, dry goods, foodstuffs, medicines, and cosmetics originating in Canada for which opportunities are to be found if the manufacturer and exporter will study closely local conditions and assist in getting his products sold here.

Much of the failure of Canadian products to be better known on the Indian market is probably owing to the fact that manufacturers and exporters, because of their lack of knowledge of the peculiar conditions existing in this country, and therefore of the methods to secure proper distribution of their merchandise.

Channels of distribution in India differ widely from those in Western countries with which the Canadian exporter is undoubtedly more familiar. They even differ from other parts of the East such as Japan, China, or the Straits Settlements. The Indian market is one peculiar to itself.

The best method to adopt in order to sell his goods on these markets will undoubtedly be the first concern of the Canadian exporter. Whether to sell direct to the importer or through a resident agent, and whether the agent should be an established European organization or an Indian house of either of the two principal communities, Hindu or Mahomedan, will be questions to decide.

## PRODUCTS FOR WHICH A MARKET EXISTS

It is not intended in this report to deal with heavy types of merchandise, but only with the lighter or specialty lines which are sold through the retail European stores and bazaars in the larger centres—that is, products like toilet articles, household dyes, writing paper, envelopes, proprietary medicines, brushes, clocks, flashlight batteries, paints, varnishes, polishes, pens, pencils, canned salmon, farinaceous foods, biscuits, pickles, sauces, canned goods, tinned milk—in other words, proprietary articles, trade-marked goods, and packaged goods.

It should further be borne in mind that the masses of the population cannot afford to purchase any of the articles above enumerated, but there are scattered throughout the huge population many thousands, both Indian and European, who purchase these products, and the problem which faces the manufacturer is how he is to build up a selling system among these widely scattered consumers to reach them with the least possible expense.

## GEOGRAPHICAL FEATURES

India, with an area of 1,773,168 square miles and a population of over 352,-000,000, may be likened to a fan, the handle or point of which, Cape Comorin, rests north of the Equator, from where it spreads out fanwise. Half-way up the western side lies Bombay, while the most northern port on that side is Karachi. Working eastwards from Karachi around the perimeter of the fan, lie the cities and distributing centres of Peshawar, Rawalpindi, Lahore, Delhi, Agra, Cawnpore, Lucknow, Allahabad, and Benares. A short distance from the top rim of the fan on the eastern coast lies Calcutta, and a little more than half-way between Calcutta and Cape Comorin is Madras. Burma—of which the principal and most important city is Rangoon—is not a part of the Indian subcontinent proper, but, while up to the present it is a part or province of India politically, is shortly to become a separate entity. For purposes of this report it may, however, be considered a part of the whole structure.

## CLIMATE

Geography, climate, and the customs of the people vary greatly from place to place. The Himalaya mountains, extending along the northern frontier, form an almost impassable barrier between India and the Asiatic Continent proper, while just south lies the fertile valley of the Ganges spreading towards the east, and the Sind desert to the west. Between the Ganges River and the Sind extending southwards is a vast tableland separated from the narrow coastal areas by the Western and Eastern Ghat mountains. Climatic variations are no less than geographical, being anything from tropical to temperate, while there are areas which have sharp climatic distinctions at certain seasons of the year.

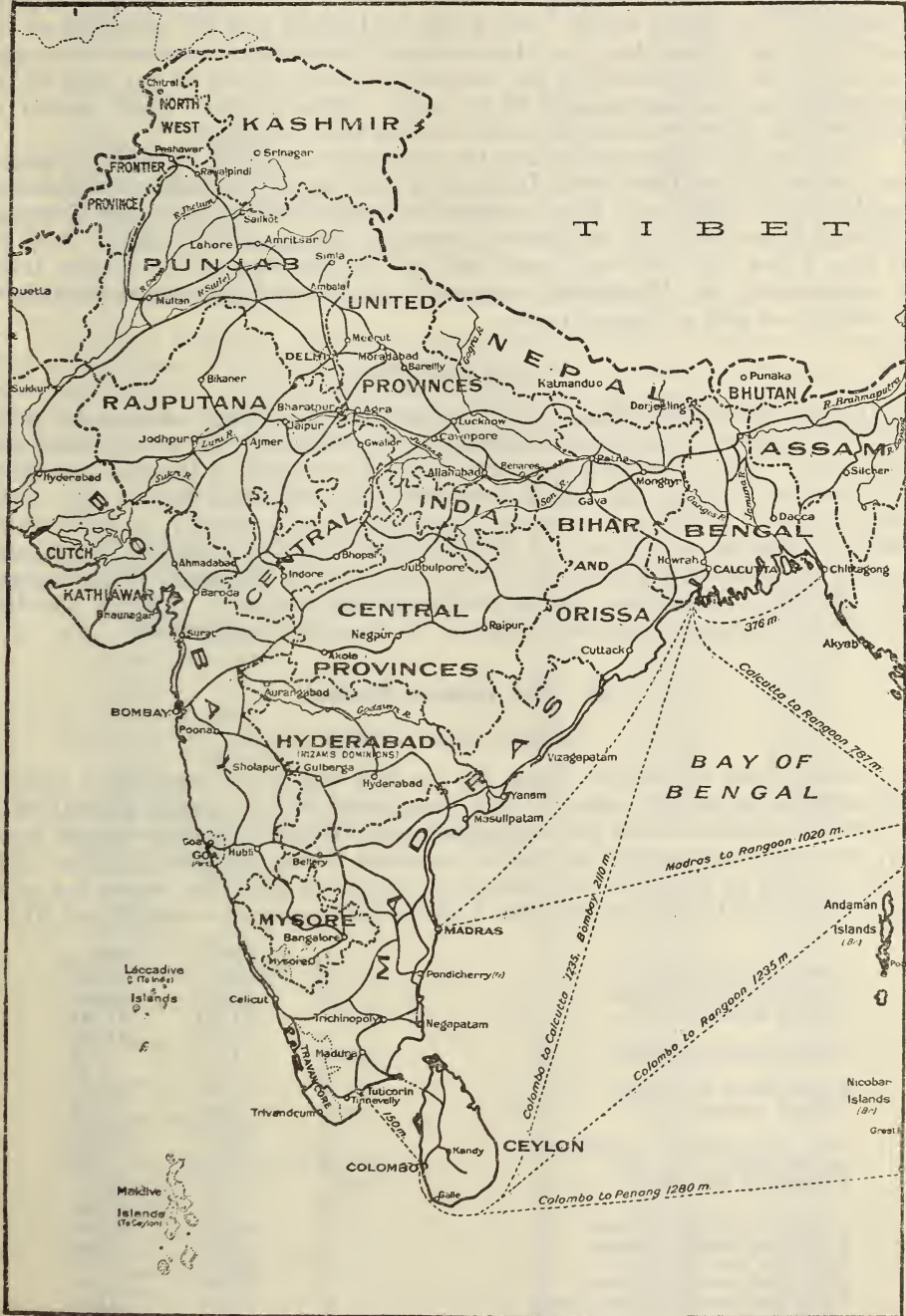
Generally speaking, the southern part of the country is hot and humid the whole year round and not subject to great changes in temperature as in the more northern areas. The mean annual temperature of Madras in the southern part of the country is 81·8° F., ranging from 75° in January to 89° in June; Lahore in the north has a mean of 75°, 53°, and 93°; Calcutta, 78°, 65°, and 85°; Bombay, 79°, 75°, and 82° respectively; while in many places of northern India the extremes are more pronounced, in some cases as great as 30° to 125°.

## PRECIPITATION

The country is almost dependent on the southwest monsoon, or rainy season, beginning about the middle of June, which spreads over the country and is largely responsible for watering it. These rains progress from the southwest to the northeast, gradually losing their force as they progress and end about the middle of

September. There is thus a great difference in the rainfall in various parts of the country.

For example, in the Sind Desert the rainfall per annum is less than 8 inches, while in Assam or in the northeastern part of the country as much as 500 inches is not uncommon. Calcutta has an annual average rainfall of 60·83 inches, and Lahore of 20·70 inches, so that there are many reasons to explain



MAP OF INDIA

why India has large barren tracts and equally large areas of swampy jungles thick with vegetation between which are to be found much larger areas of fertile lands and wooded hills.

### RELIGION AND LANGUAGE

Religion and language are of importance in considering the Indian market, and while this does not actually come within the scope of this report, it has a strong bearing on merchandising in India. First, it is incorrect to term Indians "Hindus." The word "Hindu" refers only to Indians who are adherents of the Hindu religion; others may be Mahomedans, Bhuddists, Parsis, or Christians. The Hindus are numerically in the majority, forming about 68 per cent of the population and the Mahomedans 22 per cent. There is also a great variety of races in India whose customs differ, and no less their religions.

There are 222 languages spoken, the more common being Bengali in Bengal, Tamil in the Madras Presidency, Burmese in Burma, and Gujerati in the Bombay Presidency, but about only 8 per cent of the people are literate in any language. English is the official and commercial language, but is only written or read by less than 1 per cent, although practically all Indians engaged in foreign trade are conversant in it. Hindustani is generally spoken and understood throughout the country—a sort of lingua-franca.

### INDIAN INDUSTRIES

India is rapidly becoming a highly industrialized country. Among her principal industries are cotton manufacturing—exceeded by only three other countries in the world; jute manufacturing—practically a monopoly of Bengal; and there are a number of large and highly developed iron and steel works. The coal-mining industry is also one of great importance to the country, in addition to which are hundreds of smaller and thriving manufacturing industries, but fundamentally the country is agricultural, over 70 per cent of the people being engaged in it. In spite of these many industries the average income is very low, the vast majority of the rural population living on the margin of subsistence.

## II. The Import Market

### EXPORTS FROM CANADA

Exports from Canada to India for the last two fiscal years show that in 1935 merchandise to the value of more than \$4,000,000 as against \$3,700,000 in the preceding twelve-month period was exported. Included in these figures, however, are motor cars and lorries, rubber tires and tubes, and silver bullion. The following table as issued by the Dominion Bureau of Statistics shows the principal items which Canada exported to India in the fiscal year ended March 31:—

	1935	1936
Pickles and sauces . . . . .	\$ 13,416	31,585
Oatmeal and rolled oats . . . . .	123,612	128,666
Rubber belting . . . . .lb.	61,213	47,584
	\$ 16,738	13,625
Rubber boots and shoes . . . . .pairs	1,673	114
	\$ 1,052	97
Rubber tires and tubes . . . . .	171,361	30,701
Salmon, canned . . . . .cwt.	4,529	3,303
	\$ 38,575	27,446
Milk, evaporated or powdered . . . . .	11,224	15,505
Artificial silk . . . . .	604	1,209
Planks and boards . . . . .M ft.	209	3,704
	\$ 2,935	50,005
Paper and manufactures of . . . . .	43,092	67,835
Books and printed matter . . . . .	2,251	6,609
Iron pipe and tubing . . . . .	12,240	.....
Wire, iron, woven fencing . . . . .	23,299	9,984
Farm implements and machinery . . . . .	5,504	4,941

*Exports from Canada—Concluded*

	1935	1936
Hardware and cutlery . . . . .	\$ 11,082	7,093
Machinery, except for farms . . . . .	\$ 3,658	8,917
Automobiles, freight . . . . .	No. 1,558	2,168
Automobiles, passenger . . . . .	\$ 624,883	899,677
Automobile parts . . . . .	No. 1,472	2,187
Aluminium and manufactures of . . . . .	\$ 724,548	1,111,965
Silver bullion . . . . .	\$ 543,495	128,993
Zinc spelter . . . . .	\$ 279,796	33,169
Electric apparatus . . . . .	1,960,834	.....
Insulators, porcelain . . . . .	\$ 932,000	.....
Medicinal preparations . . . . .	\$ 42,854	6,942
Inorganic chemicals . . . . .	\$ 109,967	20,218
Stationery, n.o.p., including pens and pencils . . . . .	\$ 32,756	59,529
All other articles . . . . .	\$ 11,814	34,406
Total exports (Canadian) . . . . .	\$ 42,430	49,847
	\$ 85,655	100,335
	\$ 1,793	1,880
	\$ 248,395	289,632
	\$ 4,118,175	3,133,869

## COMPETITION FROM EUROPEAN COUNTRIES, UNITED STATES, AND JAPAN

The United Kingdom, Germany, Japan, and the United States are the principal competitors in the Indian market, but even so there is no reason why Canadian producers, if they will study conditions and support their goods by sales helps such as advertising, cannot obtain a greater share of the market than they hereto have had, particularly in the lines enumerated.

*Imports of "Light" Merchandise into India*

Article and Country from which Imported	1933-34	1934-35
Playing cards . . . . .	Rs. 694,498	976,924
United Kingdom . . . . .	Rs. 152,602	189,372
Japan . . . . .	Rs. 268,451	467,599
United States . . . . .	Rs. 172,569	195,092
Toys . . . . .	Rs. 3,776,053	3,218,168
United Kingdom . . . . .	Rs. 395,829	389,860
Germany . . . . .	Rs. 254,428	215,908
Japan . . . . .	Rs. 3,048,659	2,538,026
United States . . . . .	Rs. 31,774	33,854
Sporting goods (except firearms) . . . . .	Rs. 864,774	860,365
United Kingdom . . . . .	Rs. 613,837	616,751
Norway . . . . .	Rs. 87,530	80,480
Germany . . . . .	Rs. 44,786	39,583
United States . . . . .	Rs. 14,356	33,312
Stationers' supplies (except paper and including pens and pencils) . . . . .	Rs. 6,622,025	6,879,545
United Kingdom . . . . .	Rs. 3,575,802	3,515,322
Sweden . . . . .	Rs. 148,968	46,081
Germany . . . . .	Rs. 1,453,586	1,790,983
Japan . . . . .	Rs. 912,000	957,677
United States . . . . .	Rs. 168,156	230,801
Writing paper and envelopes . . . . .	Rs. 3,642,946	3,328,301
United Kingdom . . . . .	cwts. 151,355	132,881
Austria . . . . .	Rs. 1,479,515	1,439,821
Norway . . . . .	cwts. 34,735	32,625
United States . . . . .	Rs. 345,526	293,529
Proprietary and patent medicines . . . . .	cwts. 18,396	15,476
United Kingdom . . . . .	Rs. 854,239	849,527
France . . . . .	cwts. 49,368	46,113
United States . . . . .	Rs. 39,128	31,075
Other drugs and medicines . . . . .	cwts. 1,334	114
United Kingdom . . . . .	Rs. 3,097,635	3,926,150
Germany . . . . .	Rs. 1,635,021	1,964,702
France . . . . .	Rs. 597,123	708,456
United States . . . . .	Rs. 188,856	372,593
Japan . . . . .	Rs. 373,600	651,341
United States . . . . .	Rs. 779,919	571,909
United States . . . . .	Rs. 1,635,506	1,365,340

*Imports of "Light" Merchandise into India—Continued*

Article and Country from which Imported		1933-34	1934-35
Soaps . . . . .	Rs.	7,837,362	6,320,798
	cwts.	303,413	206,807
	United Kingdom . . . . .	6,359,468	5,309,321
	cwts.	234,210	174,635
France . . . . .	Rs.	196,052	92,286
	cwts.	12,373	5,864
United States . . . . .	Rs.	414,176	463,119
	cwts.	4,680	5,878
Perfumery . . . . .	Rs.	272,953	201,155
	United Kingdom . . . . .	15,201	6,071
	Persia . . . . .	73,539	80,933
	Straits Settlements . . . . .	49,310	39,309
Netherlands . . . . .	Rs.	32,269	2,612
	Rs.	5,661,474	6,405,314
Toilet requisites, n.e.s. . . . .	Rs.	2,215,333	2,484,490
	United Kingdom . . . . .	402,224	306,327
France . . . . .	Rs.	1,330,373	1,649,963
	United States . . . . .	1,126,099	1,406,424
Brushes and brooms . . . . .	Rs.	578,719	809,862
	doz.	481,520	680,181
	United Kingdom . . . . .	95,587	140,887
	doz.	279,616	236,872
Germany . . . . .	Rs.	151,505	142,086
	doz.	151,838	229,599
Japan . . . . .	Rs.	230,391	407,995
	doz.	156,253	216,476
United States . . . . .	Rs.	26,292	35,465
	doz.	1,312,108	1,316,949
Clocks and timepieces . . . . .	Rs.	457,506	423,666
	number	58,470	80,501
United Kingdom . . . . .	Rs.	5,035	4,201
	number	681,422	693,058
Japan . . . . .	Rs.	256,067	245,180
	number	77,798	133,554
United States . . . . .	Rs.	13,476	28,334
	number	2,550,143	2,797,568
Cutlery . . . . .	Rs.	781,499	835,706
	United Kingdom . . . . .	1,373,708	1,471,394
Germany . . . . .	Rs.	46,064	69,328
	United States . . . . .	28,783,384	30,529,996
Other hardware . . . . .	Rs.	9,755,822	9,796,714
	United Kingdom . . . . .	8,613,699	9,539,087
Germany . . . . .	Rs.	3,477,411	3,214,908
	United States . . . . .	2,276,271	2,972,422
Paints and colours . . . . .	Rs.	7,028,844	7,400,407
	cwts.	369,915	355,603
United Kingdom . . . . .	Rs.	4,679,472	4,873,120
	cwts.	179,387	186,341
Germany . . . . .	Rs.	753,802	727,632
	cwts.	49,450	31,287
Japan . . . . .	Rs.	627,299	809,953
	cwts.	46,676	53,977
United States . . . . .	Rs.	227,023	247,024
	cwts.	5,821	5,367
Polishes . . . . .	Rs.	2,202,586	2,286,141
	United Kingdom . . . . .	2,028,108	2,134,782
Germany . . . . .	Rs.	13,772	20,428
	United States . . . . .	131,306	117,504
Hosiery, cotton . . . . .	Rs.	986,592	1,127,342
	doz.	917,906	934,665
	United Kingdom . . . . .	18,915	40,188
	doz.	8,750	7,316
Japan . . . . .	Rs.	820,998	901,930
	doz.	822,083	880,674
Hongkong . . . . .	Rs.	56,825	18,848
	doz.	62,982	15,664
United States . . . . .	Rs.	18,817	60,281
	doz.	3,652	10,624
Biscuits and cakes . . . . .	Rs.	2,963,462	3,336,601
	cwts.	39,313	48,248
United Kingdom . . . . .	Rs.	2,660,937	2,876,907
	cwts.	29,463	32,992
Straits Settlements . . . . .	Rs.	182,409	263,614
	cwts.	8,062	11,804
United States . . . . .	Rs.	4,934	3,949
	cwts.	55	61

*Imports of "Light" Merchandise into India—Concluded*

Article and Country from which Imported	1933-34	1934-35
Canned and bottled fruits . . . . .	Rs. 996,494	1,090,804
	cwts. 37,742	46,546
United Kingdom . . . . .	Rs. 194,655	175,130
	cwts. 3,333	3,149
Straits Settlements . . . . .	Rs. 167,322	238,253
	cwts. 16,310	23,276
United States . . . . .	Rs. 402,561	480,378
	cwts. 10,721	13,078
Canned fish . . . . .	Rs. 851,116	1,080,623
	cwts. 26,593	46,780
United Kingdom . . . . .	Rs. 290,959	254,926
	cwts. 4,996	3,827
United States . . . . .	Rs. 116,353	99,203
	cwts. 3,831	2,864
Cereals, prepared . . . . .	Rs. 6,682,322	7,086,090
United Kingdom . . . . .	Rs. 3,499,998	3,380,179
United States . . . . .	Rs. 367,512	329,561
Condensed milk . . . . .	Rs. 4,551,052	4,836,976
United Kingdom . . . . .	Rs. 1,445,568	2,244,705
Netherlands . . . . .	Rs. 1,714,695	1,773,198
Switzerland . . . . .	Rs. 6,623	1,172
United States . . . . .	Rs. 54,916	108,112

## THE CONSUMER

Although only 1 per cent of the population of India are in a position to purchase the products dealt with in this report, percentage figures may be very misleading. In addition to the immense native population there are more than 200,000 Europeans residing in the country and over 100,000 Anglo-Indians, who in themselves form a fair market for all types of Western-made merchandise. There are also numerous educated Indians—landlords, merchants, and clerks—forming a considerable total who have adopted Western ideas, but though small in percentage are large in actual numbers. They are not concentrated in any one locality but are scattered far and wide throughout the country, though the majority will be found in the port cities or larger interior towns.

On the other hand, some small obscure village in the interior may possibly be the home of a wealthy landowner who can and does purchase large quantities of Western-made goods for his own use, or it may be some planter and his family located on a tea estate far from any large town. These are the potential purchasers who must be reached if the market is to be fully covered, and it becomes necessary to have the proper means of reaching them, hence the necessity of securing the proper type of sales representation which will enable the exporter to reach these possible buyers.

## RETAIL OUTLETS

In the larger cities those who consume imported goods have no difficulty in purchasing them through the European-controlled departmental stores or specialty shops, or from the numerous bazaar shops operated by Indians catering to consumers of imported merchandise. In Calcutta, Bombay, and Madras there are a number of European-owned, controlled, and operated departmental stores. These stores are modern and up to date, employing European salesmen and saleswomen where goods are displayed in a proper manner and are patronized by Europeans and comparatively well-to-do Indians.

In addition to the departmental stores there are numerous specialty shops operated by Europeans who handle exclusively ladies' or gents' clothing requirements, haberdashery and millinery, etc. Then there are the more common and numerous bazaar shops, operated by Indians on a very narrow margin of profit and who are usually able to undersell the European-controlled and operated stores by as much as 50 per cent. These shops sometimes may be very small, and in such a shop the proprietor sits crosslegged with his goods stacked around

him, but is yet able to produce almost anything required in the lines in which he deals. If it is not within his stock at hand, he will call an assistant, who will return in a few minutes with several of the articles, perhaps borrowed from the next-door shop. To purchase in a bazaar shop is usually a question of bargaining; the asking price is never the final selling price.

### THE DEPARTMENT STORE AND THE BAZAAR

The two retail outlets described operating side by side create peculiar problems for the manufacturer and exporter. The department stores do not care to stock merchandise which will be sold by bazaar shops at prices far below those which the former can afford to offer. This accounts—and it is very often the case—for a manufacturer finding his agent or representative handling what at first appears to be competitive lines; but these are not necessarily so. The agent must have two similar lines—one for the department stores and one for the bazaar—if he in his own interests is to cover the entire market.

Department stores are inclined to handle novel and superior merchandise, leaving the bazaar to sell that which has an established reputation and which is more or less “bought” by the consumer rather than “sold” by the store. Bazaar shops are more likely to stock well-known branded merchandise—e.g. well-known soaps which have fixed retail prices set by the bazaar merchants at very little above cost, while the department stores will perhaps stock a new or superior brand of soap to be sold at a fairly good profit because of no competition from the bazaar.

The consumer in the large cities may do his own shopping in a department store, specialty shop, or bazaar shop, make his purchase—pay cash or (more usually) sign for it and accept delivery over the counter or, as is frequently the case, a servant is sent to buy some particular product. He will be given a “chit” or written order to the merchant or perhaps an old container or label so that he may quickly and easily distinguish the merchandise in the shop he patronizes—one perhaps unknown to his master but wherein he finds it advantageous to trade.

### MAIL-ORDER BUSINESS

So far this report has dealt exclusively with the consumer in almost immediate reach of the large retail organizations or the bazaars located in the big cities. But there are numerous other consumers of imported merchandise located in out-of-the-way stations or the mofussil (country districts) who are to a large extent dependent upon a bazaar shop in the nearest town which may stock only a few imported articles or none at all. They are therefore dependent upon such centres as Calcutta, Bombay, Madras, Lucknow, or Delhi for their requirements.

The bazaar shops sell “over the counter” largely, but the department and specialty stores have in addition built up a large mail-order business, which also applies to some provisions stores or general suppliers. These organizations issue yearly or twice yearly large, expensive, and fully illustrated catalogues along the lines of Canadian departmental stores, in which they expect a manufacturer of reliable, first-class goods to make a display advertisement, otherwise they are not inclined to feature them in their catalogue. This business is a profitable one, but unless the manufacturer is agreeable to make a display in the catalogues the store will take little interest in them, only stocking the line of necessity.

## EXTERNAL TRADE OF THE ANGLO-EGYPTIAN SUDAN IN 1935

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, October 8, 1936.—According to the Annual Report of the Department of Economics and Trade of the Sudan Government, the Anglo-Egyptian Sudan was able to share in the general recovery which characterized the year 1935.

The final figures of production of cotton for the season 1934-35 show that a record large crop was harvested and the quantity exported in 1935 fell only a little short of the previous record of 1932, while the average export valuation for the whole year of both Sakel and American types of cotton was higher than in 1934 and, in fact, higher than in any year since 1930; shipments of gum arabic, the next most important export after cotton, nearly approached previous high records, the average export value for 1935 being, as in the case of cotton, the highest since 1930; enhanced prices were realized for most of the minor products of the country, the quantities exported being in general satisfactory; and the improved economic position of the Sudan was reflected and confirmed by the increase in imports of commodities consumed by the masses, chief among them being sugar, tea, coffee, wheat flour, and rice, and piece-goods of cotton and of artificial silk.

## TOTAL TRADE

In 1935 the total value of imports, exports, and re-exports, excluding transit goods (£E.443,140 in 1935 against £E.355,505 in 1934) and specie, was £E.10,372,375 as compared with £E.8,061,805 in 1934, an increase of £E.2,310,570 or 28.7 per cent, nearly one half of the advance being accounted for by imports by the British military authorities of aircraft, stores, and equipment, which were about £E.550,000 greater than in 1934, and by an abnormal demand for supplies from Eritrea, to which country exports were previously negligible, while in 1935 they amounted to £E.214,000 and re-exports to £E.146,000. Even if the above-mentioned items are deducted from the total value of Sudan trade for 1935, there remains an increase of approximately £E.1,254,000 over the 1934 total.

## IMPORTS

The total value of imports in 1935 stood at £E.5,369,879 as compared with £E.3,945,149 in 1934, an increase of £E.1,424,730 or 36.1 per cent, of which imports on Government account totalled £E.1,292,000 compared with £E.646,000 in 1934.

The principal items of public imports were detailed as hereafter in 1935 and 1934 respectively:—

Commodity	1935		1934	
	£E	Per Cent	£E	Per Cent
Total . . . . .	4,077,505	....	3,298,650	....
Piece-goods . . . . .				
Cotton . . . . .	974,728	23.9	810,269	24.6
Artificial silk . . . . .	83,177	2.0	64,591	2.0
Silk . . . . .	42,019	1.0	45,328	1.4
Sugar . . . . .	326,284	8.0	227,127	6.9
Coffee . . . . .	285,736	7.0	225,138	6.8
Metals and metalware . . . . .	225,999	5.6	238,797	7.3
Motor vehicles, parts and tires . . . . .	165,182	4.1	85,643	2.6
Other machinery . . . . .	88,384	2.2	63,047	1.9
Tea . . . . .	182,408	4.5	191,946	5.8
Wheat flour . . . . .	154,939	3.8	105,291	3.2
Sacks . . . . .	133,142	3.3	123,549	3.7
Tobacco and cigarettes . . . . .	129,738	3.2	129,440	3.9
Cement . . . . .	110,279	2.7	57,973	1.8

## PRINCIPAL SOURCES OF SUPPLY

The principal sources of supply for both public and government imports, together with the percentage for each country's share, the figures for 1934 being within parentheses, were: Great Britain, 31.4 (24.6); Egypt, 19.4 (22.1); Japan, 18.5 (19.1); British India, 5.9 (7.2); Abyssinia, 3.3 (5); United States, 2.7 (1.7); Dutch East Indies, 2.6 (3); Kenya, 2.1 (1.1); Australia, 2 (2.2); France, 1.6 (1.2); South Africa, 1.4 (1.8); Germany, 1.3 (1.1); Belgium, 1.1 (0.7); Italy, 0.7 (0.9).

Canadian official statistics place the Dominion's exports to the Sudan at \$66,860 in 1935 against \$50,625 in 1934. It must be added, however, that these figures fail to take into account a certain amount of Canadian goods which, although shipped to the United Kingdom and the United States, eventually reach the Sudan. In 1935 the main items of Canadian export to the latter country consisted of railway sleepers (\$59,799), and automobile tires and inner tubes.

## TRADE ROUTES

The routes taken by the import trade of the Sudan were the Red Sea, the Nile, and the Frontier posts, in a proportion of 85.5 per cent for the first, 11.1 per cent for the second, and 3.4 per cent for the third.

## EXPORTS

The total value of the exports from the Sudan stood at £E.4,567,279 in 1935 as compared with £E.3,848,679 in 1934, an advance of £E.718,600 or 18.7 per cent.

The following table indicates the value of main exports in 1935 and 1934 respectively:—

Commodity	1935		1934	
	£E.	Per Cent	£E.	Per Cent
Total . . . . .	4,567,279	....	3,848,679	....
Cotton, ginned, and cotton-seed . .	2,736,579	60.0	2,173,557	56.4
Gum arabic . . . . .	676,222	14.8	494,740	12.9
Millet (dura and dukhn) . . . . .	198,054	4.3	397,778	10.4
Live stock . . . . .	183,377	4.0	50,899	1.3
Sesame . . . . .	137,304	3.0	109,473	2.8
Hides and skins . . . . .	100,171	2.2	113,676	3.0

The extent to which the Sudan trade depends upon exports of cotton, and the desirability of increasing, if possible, production of other exportable produce are apparent. A comparison of exports after excluding cotton and cotton-seed is therefore of interest. For 1935, exports of ginned cotton and cotton-seed were valued at £E.2,736,579, and those of all other commodities at £E.1,830,700; in 1934 respective figures were £E.2,173,557 and £E.1,675,122. The improvement of £E.155,578 in items other than cotton and cotton-seed was achieved in spite of a fall in exports of dura from £E.397,778 to £E.198,054, the decrease of nearly £E.200,000 in this item being offset mainly by an increase of £E.181,482 in the value of exports of gum arabic.

## PRINCIPAL EXPORT DESTINATIONS

The principal destinations of Sudan exports, and the percentage shares of each country, the figures for 1934 being within parentheses, were: Great Britain, 46.8 (54.2); Egypt, 12.4 (20.4); British India, 8.6 (4.6); France, 5.5 (4.4); Italy, 4.9 (2.8); Germany, 4.9 (2); Eritrea, 4.7 (—); United States, 3.8 (3.8); Japan, 1.4 (1.3); Belgium, 1.4 (1.3).

Considerable attention was paid during the year 1935 to the improvement of quality of produce for export and to the organization of more satisfactory arrangements for the marketing and export of produce.

## BALANCE OF TRADE

There was an unfavourable balance of trade, excluding transit, transhipment and specie movement, of £E.367,000 in 1935 as compared with a favourable one of £E.172,000 in 1934. This was the result in the main of special imports of stores and equipment by the British military authorities amounting in value to some £E.550,000 above normal. To a certain extent this unusual item was offset by exports to Eritrea valued at £E.214,000, which exports would not have gone to that country had it not been for the demand there for supplies as a result of the conflict with Abyssinia.

## WHEAT AND FLOUR SITUATION IN THE NETHERLANDS

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One kilo equals 2·2 pounds; one metric ton equals 2,205 pounds; one florin equals at par Can.\$0·402)

Rotterdam, October 13, 1936.—The devaluation of the guilder, which took place on September 27, found some Dutch wheat buyers, who had been anticipating a decline in the market, in a short position. Since then the cost of the 65 per cent of foreign wheat used by local millers has increased by an amount equivalent to the depreciation of the monetary unit, which so far has approximated about 20 per cent. The former parity could be reached by a reduction in the monopoly fee of fl.2 per 100 kilos, which is payable on all imports. Representations to this end have been made to the Government, but the only pronouncement issued has been to the effect that this levy will remain unaltered. Concurrently, it has been enacted that there shall be no increase in the cost of bread, and in order to prevent this the millers are receiving a substantial direct subsidy from the state.

## WHEAT IMPORTS

The volume of wheat entering the Netherlands during the months of July, August, and September, was slightly below the quarterly average. Roughly 70 per cent of the total was of Canadian origin. Total imports came to 112,346 metric tons, with 77,703 tons coming direct from Canada and an additional 4,406 tons credited to the United States.

Details regarding wheat imports during the second and third quarters of 1936, with a comparative table for the third quarter of 1935, are subjoined:—

*Wheat Importations into the Netherlands*

Country of Origin	July-Sept., 1935		April-June, 1936		July-Sept., 1936	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total . . . . .	144,523	5,888	121,398	5,887	112,346	5,790
Germany . . . . .	7,528	265	13,697	587	16,275	834
Belgium . . . . .	4,607	182	1,133	57	.....	....
France . . . . .	.....	....	1,475	62	.....	....
Russia . . . . .	.....	....	2,412	123	3,488	178
Sweden . . . . .	11,998	101	407	18	.....	....
Canada . . . . .	21,095	984	77,615	3,781	77,703	3,975
Argentina . . . . .	82,660	3,233	8,465	414	3,626	180
Uruguay . . . . .	.....	....	502	25	.....	....
United States . . . . .	14,933	531	7,133	362	4,406	266
Australia . . . . .	.....	....	7,347	370	935	54

## TRADE WITH DANUBIAN COUNTRIES

Mention was made in *Commercial Intelligence Journal* No. 1697 (August 8, 1936) of a new clearing agreement which was being concluded between the Netherlands and Hungary whereby the former agreed to permit the importation of up to 100,000 tons of 1936-crop milling wheat from Hungary. In practice

there have been no actual imports owing to the sellers having found other markets more attractive on account of price or their ability to secure elsewhere free foreign exchange.

Apart from the foregoing, a new clearing treaty with Roumania became effective on September 1 which permitted the importation into this country of a maximum quantity of 90,000 tons of Roumanian wheat. In the interval some business has been done, although since the fall of the guilder the sellers are unwilling to make shipment at the prices formerly agreed upon.

The quantity of wheat in storage has continued at a low ebb. On October 10 the total was 33,335 tons. Practically all of this was of Canadian origin.

### FLOUR

The quantity of flour imported from the United States during the July-to-September quarter, which was 7,888 tons, has reached a level commensurate with the 30,000-ton annual quota which was provided for in the Netherlands-United States trade agreement which became effective on February 1, 1936. Imports from Canada declined sharply in comparison with the preceding period.

Particulars of flour imports are as follows:—

#### *Flour Importations into the Netherlands*

Country of Origin	July-Sept., 1935		April-June, 1936		July-Sept., 1936	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total . . . . .	10,062	539	19,186	1,232	18,775	1,212
Belgium . . . . .	195	10	92	5	102	9
United Kingdom . . . . .	598	34	1,785	111	1,294	86
France . . . . .	3,748	158	3,447	171	2,654	144
Poland . . . . .	.....	...	1,800	68	2,202	87
Hungary . . . . .	205	12	2,671	176	2,473	156
Canada . . . . .	872	62	1,613	121	933	68
United States . . . . .	2,647	200	6,482	503	7,888	590
Australia . . . . .	227	12	1,286	80	1,080	67

### POLISH CROP ESTIMATES

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Hamburg, October 13, 1936.—The Polish Bureau of Statistics has recently issued an estimate of cereal and potato crops during the past season. Wheat production is expected to amount to 21,200,000 metric quintals, at which figure it will be 5·6 per cent greater than during 1935 and 7·1 per cent above the 1931-35 average. Rye production is estimated at 63,900,000 quintals, a slight increase over last year's figure and the average of the preceding five years. The barley and oat crops, estimated at 14,600,000 and 26,300,000 quintals respectively, will be fractionally lower than comparable totals for 1935 and the 1931-35 period. Potato production is set at 320,700,000 quintals, an increase over the 1935 total of 1·3 per cent but 3·3 per cent less than the five-year average.

It is reported by the Poznan Chamber of Commerce that an inquiry for Polish wheat has recently been received from Canada. In this regard it may be noted that Poland exports limited quantities of wheat (68,860 metric tons in 1935) to various European countries, but that the development of exports to the Canadian market is not anticipated.

## ECONOMIC AND TRADE CONDITIONS IN THE UNITED STATES

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York City, October 21, 1936.—Business conditions in the United States during the third quarter made a substantial advance with gains in industrial production, construction activity, retail trade, and freight traffic. While the broad nature of improvement was of outstanding interest, it is significant that further progress was made in those directions in which capital outlays were important, such as plant expansion, machinery installation, railway equipment, building and residential construction. The political uncertainties both at home and abroad have had a slightly unsettling effect upon business. The conditions leading up to the devaluation of the French, Swiss, Dutch, and Italian currencies tended to retard trade, but since devaluation took place the outlook has appeared to improve.

Steel output increased during the period, and at the end of September the daily average steel production was the highest since the early months of 1930. This improved demand for steel is a reflection of the expanding output of durable goods industries generally. Automobile manufacturers required smaller quantities of steel in the past quarter as production declined to the seasonal low in the latter part of September when assembly operations of most companies were suspended. Manufacturers of building materials have had the most active quarter in several years.

### RETAIL SALES

Retail sales during the quarter increased on a seasonally adjusted basis, and were considerably in excess of the sales in the corresponding months of 1935. Sales throughout the quarter benefited from the further rise in consumer income and the distribution of Government funds in settlement of the veterans' bonus. Actual cash farm income increased more than seasonally as a result of the higher prices of farm products. Prices of non-farm products also tended to advance during the quarter.

### IRON AND STEEL INDUSTRY

According to the latest figures issued by the American Iron and Steel Institute, steel ingot production for the first nine months of this year has been estimated at 33,605,304 tons compared with 24,051,412 tons for the like period of 1935, an increase of about 40 per cent. In the month of September operations averaged 72.12 per cent of their capacity, while for the nine months they averaged 65.44 per cent compared with an average of 46.62 per cent for the same period of 1935.

In addition to automobile buying, the demand for steel has been broad and from many industries. In part, it is due to the announcement of price advances on semi-finished steel effective on orders after October 1, and to the general firmness of the price structure due to rising prices for scrap, demands for higher wages, and fear of labour trouble to come. These orders are partly at the expense of future business, but in conjunction with automobile requirements they make it certain that mill operations will continue high for a time.

Pig iron output in September was placed at 2,730,293 gross tons, and represented a gain of 0.7 per cent over the 2,711,431 tons produced in August. The total for the nine months of 1936 amounted to 21,564,398 tons, an increase of 7,337,373 tons from the amount of 14,227,025 tons for the like period of 1935.

### AUTOMOBILE INDUSTRY

The third quarter of the year brings to a close the production of 1936 model automobiles by the various manufacturers. Stocks of unsold 1936 models still

in dealers' hands have been reduced to a point where dealers of many companies are sold out or at the most have only a few demonstrators left. In this respect the industry is in as good or better shape than a year ago. The used-car stocks have also been greatly reduced, which places the dealer in a better position to handle 1937 models.

According to the preliminary reports of the Automobile Manufacturers' Association, covering all but one of the major producers of automobiles, factory shipments by members of the association during the first nine months of 1936 amounted to 2,561,905 cars and trucks compared with 2,030,897 vehicles for the corresponding period of 1935. On the basis of this estimate, operations for the group are running 26 per cent above last year and 72 per cent above the five-year average.

#### BUILDING CONSTRUCTION

A much-needed recovery in residential building appeared in the first nine months of 1936, when this type of building construction totalled 23 per cent more than was reported for the entire year of 1935. The F. W. Dodge Corporation indicates that at the end of the third quarter residential building in the thirty-seven Eastern States amounted to \$558,030,600 as against only \$338,907,000 for the like period of 1935, an increase of 73 per cent.

Total construction work of all kinds in the thirty-seven Eastern States amounted to \$2,041,627,200, a gain of 71 per cent over the figure of \$1,191,697,700 shown for the corresponding nine months of last year. Both public works and private work contributed to make the large gain between the two years in total construction.

With the further improvement in construction operations, building supply manufacturers have experienced a rising volume of business through the nine months. Compared with the results of 1935, the improvement in demand for construction materials has been very impressive.

#### AGRICULTURE

Farmers' cash income from the sale of farm products in August amounted to \$637,000,000, according to the Department of Agriculture. This total compares with \$711,000,000 in July, the highest figure since 1929, and \$566,000,000 in August, 1935. In addition to this income, farmers received \$12,000,000 in government rental and benefit payments in August as compared with \$24,000,000 in July and \$44,000,000 in August, 1935. Total income from marketings and benefit payments during the first eight months of this year amounted to \$4,677,000,000, the highest for the recovery period, as against \$4,125,000,000 for the corresponding period of 1935.

#### DROUGHT CONDITIONS

Two months ago severe drought conditions prevailed over an area which normally has about two-thirds of the total acreage of field crops and which had about 46,000,000 units of grazing live stock out of the 80,000,000 in this country. Recent rains have restored approximately normal moisture conditions over the eastern and southeastern sections of this area. The remaining area, which has had only slight or partial relief from drought conditions, includes northern and eastern Montana, Wyoming, the Dakotas, and part of Minnesota and Nebraska.

#### CROP ESTIMATES

This year's corn crop is expected to be slightly smaller than that of 1934, but the shortage is much more than offset by larger crops of other feed grains.

Apples, potatoes, and various other fruits and vegetables are in lighter supply than in 1934. With these exceptions, no important crops are expected to show as low a production as was harvested in 1934.

The Crop Reporting Board in their report of October 1 estimated the production of corn at 1,509,000,000 bushels for this year. The spring wheat yield was placed at 108,130,000 bushels, and durum wheat at 7,962,000 bushels. The production of durum wheat is 65·3 per cent below the 1935 yield of 22,957,000 bushels.

The 1936 oat crop was estimated at 783,750,000 bushels, or about 35 per cent less than last year's crop of 1,196,669,000 bushels, which approximated the five-year average. Barley production was forecasted at 143,916,000 bushels, or 49 per cent less than the 1935 output of 282,226,000 bushels.

The board places the potato crop at 322,263,000 bushels, about 11 per cent below the 1935 crop of 387,678,000 bushels. The October 1 condition of grain sorghums was 42 per cent normal, and was estimated at 60,836,000 bushels, compared with 97,823,000 bushels harvested last year.

#### STOCKS

Corn stocks on farms were estimated by the bureau at 173,770,000 bushels, as against 61,655,000 bushels on October 1, 1935. Farm stocks of wheat, including new wheat from the current year's crop, were placed at 227,098,000 bushels, or 36 per cent of the 1936 production, compared with 267,972,000 bushels on October 1, 1935.

#### COMMODITY PRICES

The Bureau of Labour Statistics monthly index of wholesale prices reached 81·6 for August, a new high since October, 1930. The drought, through its influence on prices of farm products and foods, continued to be the most potent factor in raising the combined index, though the indices of practically all the leading group and subgroup components were higher for August than for July. With the partial breaking of the drought, numerous farm commodity prices, during the first three weeks of September, have moved irregularly and less rapidly than during August.

Grain and corn prices have continued to fluctuate more or less rapidly, although the upward movement of grain prices appeared to be checked. Prices of steers and hogs have varied widely throughout the year. Butter and cheese prices have been at a high level and are likely to average considerably higher during the winter.

Metal prices have been firm. Copper, lead, silver, and finished steel prices have shown the greatest stability. Zinc rose slightly, while the increases recorded by tin and scrap metal were very pronounced.

#### FOREIGN TRADE

According to the latest figures on United States foreign trade issued by the Department of Commerce, the total exports for the first eight months of 1936 amounted to \$1,511,730,000, an increase of \$142,262,000 from the total of \$1,369,466,000 for the like period of 1935. Imports into the United States for the first eight months were valued at \$1,552,337,000 compared with \$1,340,127,000 for the corresponding 1935 period, a gain of \$212,210,000. The increase in total foreign trade for the period was 12·5 per cent above the same period last year.

The United States exports, including re-exports, and general imports for the first eight months of 1936 as against the first eight months of 1935 are as follows:—

*Exports from the United States*

	Jan.-Aug., 1936	Jan.-Aug., 1935
January . . . . .	\$ 198,560,000	\$ 176,223,000
February . . . . .	182,024,000	163,007,000
March . . . . .	195,100,000	185,026,000
April . . . . .	192,786,000	164,151,000
May . . . . .	200,398,000	165,459,000
June . . . . .	184,837,000	170,244,000
July . . . . .	179,776,000	173,230,000
August . . . . .	178,249,000	172,126,000
Total . . . . .	<u>\$1,511,730,000</u>	<u>\$1,369,466,000</u>

*Imports into the United States*

	Jan.-Aug., 1936	Jan.-Aug., 1935
January . . . . .	\$ 187,482,000	\$ 166,832,000
February . . . . .	192,770,000	152,491,000
March . . . . .	198,496,000	177,356,000
April . . . . .	202,799,000	170,500,000
May . . . . .	191,217,000	170,533,000
June . . . . .	190,377,000	156,754,000
July . . . . .	194,180,000	176,631,000
August . . . . .	195,016,000	169,030,000
Total . . . . .	<u>\$1,552,337,000</u>	<u>\$1,340,127,000</u>

Exports for the month of August were valued at \$178,249,000 compared with \$172,128,000 for August, 1935, and with \$179,776,000 in July. Imports for the month of August amounted to \$195,016,000 as against \$169,030,000 in August, 1935, and \$194,180,000 in July.

The excess of imports over exports for the month of August was \$16,767,000 compared with a similar adverse balance of \$14,404,000 for July. For the first eight months of 1936 there was an unfavourable balance of \$40,607,000 compared with a favourable balance of \$29,339,000 for the similar period of 1935.

Imports of meat products were up 31,000,000 pounds for the eight months ended August, 1936, compared with the same period a year ago, with an increase in value of more than \$3,000,000. Purchases of foreign edible animals and animal products during the period approximated \$59,353,000 compared with only \$49,290,000 for the corresponding months of last year.

Butter imports declined sharply, entries approximating only 6,171,000 pounds as against more than 21,826,000 pounds last year. Imports of cheese were higher at 36,368,000 pounds compared with 30,384,000 pounds for the like period of 1935.

Entries of vegetable food products and beverages for the January-August period had a total value of \$415,604,000 compared with the 1935 figure of \$407,038,000.

Corn imports showed a sharp decline to 8,509,000 bushels against 31,823,000 bushels for the 1935 period. Likewise, despite the drought, imports during August alone were only 1,546,000 bushels compared with 8,554,000 bushels for August, 1935. Wheat imports during the eight months of 1936 rose from 17,302,000 bushels last year to 32,699,000 bushels. Entries of whiskies and other spirits during the period were valued at \$36,060,000 as against \$19,492,000 for the eight months of 1935.

**EMPLOYMENT**

Increases in employment between mid-July and mid-August were registered by the manufacturing industries, who reported an increase of 173,000 workers. In the non-manufacturing group, the seasonal recession in employment in retail trade and declines in the number at work in anthracite mining and a few other industries offset the increases elsewhere in this classification, with the result that there was a net decline in this group of about 2,000 workers.

Aggregate employment in both manufacturing and non-manufacturing industries showed a gain over August of last year of nearly 1,000,000 workers.

Factory employment in August was at the highest level since the middle of 1930 and was above any previous August since 1929. While increases among the durable goods industries were numerous, these were largely offset by the sharp recession in the number at work in the automobile industry, in which operations were curtailed while preparations were being made for the change-over to new models.

Among the non-manufacturing industries the following reported increased employment: building construction, bituminous coal mining, quarrying, and non-metallic mining, and the wholesale trade.

### CAR LOADINGS

Railway freight traffic for the first nine months of 1936 showed an improvement over the traffic of the corresponding period of 1935, when car loadings for the first forty weeks totalled 26,997,718 cars, compared with 23,818,058 cars in the like period of 1935, an increase of 13.3 per cent.

Loading by commodities for the first forty weeks of 1936 compared with the same period of 1935 are as follows:—

Commodity	1936 Cars	1935 Cars
Miscellaneous freight . . . . .	10,796,976	9,178,528
Merchandise . . . . .	6,300,767	6,211,218
Coal . . . . .	5,073,021	4,580,246
Forest products . . . . .	1,267,266	1,048,241
Ore . . . . .	1,266,191	835,450
Coke . . . . .	347,315	247,369
Grain and grain products . . . . .	1,412,759	1,204,399
Livestock . . . . .	533,423	512,607
Total . . . . .	26,997,718	23,818,058

### BANK CLEARINGS

Bank exchanges at the principal clearing houses of the country for the first nine months of 1936 amounted to \$237,375,740,415 compared with \$219,962,-682,575 for the corresponding period of 1935, an increase of 7.9 per cent. In New York City bank clearings for the nine-month period amounted to \$96,039,-431,370, an increase of 14.9 per cent from the amount of \$83,565,632,950 for the like period of 1935.

### MONEY AND BANKING

The most important financial development during the third quarter was the announcement on September 25 by the French Government of the devaluation of the franc.

Changes in the banking position in the United States during the past three months have been influenced chiefly by the gold imports resulting from the movement of capital to this country and by payments of income taxes and subscriptions to the new Government bond issue on September 15.

### GOLD IMPORTS

United States gold imports for the first eight months of this year amounted to \$620,291,000 compared with \$867,761,000 for the corresponding period of 1935. Gold imports for the month of September have not been reported as yet, but it is a known fact that large shipments have been received from France. Contrasted to the large imports of gold are the small exports from this country. During the first eight months of 1936 the United States exported \$27,149,000 worth of gold as against \$1,386,000 for the like period of last year.

As a result of the continued gold imports into the United States, mainly because of financial uncertainties in the gold bloc countries, and the disbursement by the Treasury of funds previously accumulated with the Federal Reserve Banks, the estimated excess reserves of the member banks reached a total of almost \$2,000,000,000 on September 9. However, the payment of taxes and the subscriptions to the Treasury issue reduced this amount to \$1,710,000,000.

#### SECURITY OFFERINGS

The volume of security offerings during September was slightly above the volume a year ago and, without being high, substantially above the level of August. The total of \$379,645,915 compared with \$365,494,000 last year and with \$285,889,089 in August. The amount of security offering for the first nine months of this year was \$4,004,890,693, an increase of about 50 per cent, as against the total of \$2,693,912,500 for the corresponding period of 1935. Of the total financing for the nine months of 1936, state and municipal offerings accounted for 20·2 per cent; railroad, 12·1 per cent; public utility, 27·9 per cent; industrial, 21·8 per cent; and financial, 17·1 per cent.

#### TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in Canada in the interest of Canadian trade with their respective territories: Mr. G. B. Johnson, Glasgow; Mr. Frederick Palmer, Bristol (whose territory includes the West of England, South Wales, and South Midlands); and Mr. R. P. Bower, who was Acting Trade Commissioner at Batavia, Java.

Their itineraries are as follows:—

##### Mr. Johnson

Toronto and district..	Nov. 2 to 18	Stratford and district ..	Nov. 30 and Dec. 1
Hamilton and district ..	Nov. 19 and 20	Kitchener and district ..	Dec. 2 to 4
Brantford, Simcoe. . .	Nov. 21	Guelph .. . . .	Dec. 5
St. Catharines. . . .	Nov. 23	Brampton .. . . .	Dec. 5
Niagara Falls, Fort Erie.	Nov. 24	Montreal and district. .	Dec. 7 to 22
London, Woodstock ..	Nov. 25 and 26	Granby .. . . .	Dec. 23
Windsor and district..	Nov. 27 and 28		

##### Mr. Palmer

Ottawa .. . . .	Nov. 2	Saskatoon .. . . .	Nov. 24
Winnipeg .. . . .	Nov. 4 and 5	Winnipeg .. . . .	Nov. 25
Regina .. . . .	Nov. 7	Ottawa .. . . .	Nov. 27
Calgary .. . . .	Nov. 9	Fredericton .. . . .	Nov. 30
Vancouver, New West-		St. John. . . . .	Dec. 1 and 2
minster .. . . .	Nov. 11 to 18	Yarmouth .. . . .	Dec. 3
Victoria and district..	Nov. 19 and 20	Bridgetown and Kentville	Dec. 4 and 5
Edmonton .. . . .	Nov. 23	Halifax .. . . .	Dec. 7

##### Mr. Bower

London .. . . .	Nov. 2	Kelowna, Vernon..	Nov. 14
Windsor and district. .	Nov. 3	Vancouver..	Nov. 16 to 28
Winnipeg .. . . .	Nov. 5 to 7	Victoria..	Dec. 1
Calgary .. . . .	Nov. 12		

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Winnipeg, Edmonton, Vancouver, and Victoria, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## FOREIGN TRADE OF BRAZIL FOR 1935

L. S. GLASS, CANADIAN TRADE COMMISSIONER

(All tons in this report are metric tons. One conto equals 1,000 milreis or \$57.60. Conversions of milreis values into dollars have been made at the average rates of exchange of \$0.71 for 1934 and \$0.576 for 1935 to the milreis.)

### INTERNATIONAL TRADE

Rio de Janeiro, September 24, 1936.—It is difficult to obtain a clear view of Brazil's position in foreign trade because of the depressed value of the Brazilian currency in terms of foreign currencies, the depreciated values in terms of gold of practically all currencies, and the continued low prices obtained by Brazilian commodities on world markets. Satisfactory increases in certain directions are offset by decreases in others.

### TONNAGES

There has been a general increase of 15 per cent in the tonnage of the external trade of Brazil, with an increase of 10 per cent in imports and of 26 per cent in exports. The export tonnage in 1935 was nearly 500,000 tons more than the highest year since 1901, which was 1930, when a total of 2,274,000 tons was reached. Tonnage values for exports decreased from 1,581 milreis per ton in 1934 to 1,486 milreis in 1935 and, in terms of pounds gold, from £16 1s. to £12 per ton.

Import tonnage has shown a marked increase in milreis value not only over 1934, when the value per ton was 626 milreis, but over the past five years, the 1935 value being 898 milreis as against 527 milreis in 1931. Gold values for 1934 and 1935 remained the same, but there was a drop from £8 1s. in 1931 to £6 4s. in 1935.

### CURRENCY VALUES OF INTERNATIONAL TRADE

In terms of Brazilian currency there has been an increase in the total value of the trade of 33 per cent, 54 per cent in the case of imports and 18 per cent in that of exports, over 1934. Dollar values show a decrease of 0.5 per cent in total trade, 6 per cent in exports and an increase of 6 per cent in imports. In gold pounds the total has decreased by less than 1 per cent, exports by 6 per cent, while imports increased by 7 per cent.

Total international trade in 1935 amounted to \$494,170,272 (7,960,000 contos) as against \$494,344,870 (5,961,000 contos) in 1934. Exports showed an increase from 3,478,000 contos in 1934 to 4,104,000 contos in 1935. The dollar value, however, decreased from \$286,600,000 to \$269,300,000. Imports increased from \$207,700,000 (2,502,000 contos) to \$224,800,000 (3,856,000 contos), or an increase of \$17,000,000.

### BALANCE OF TRADE

The favourable balance in 1935 was as follows: £9,049,148 sterling, £5,580,707 gold, and in dollars \$44,578,958. These three balances represent respectively decreases from 1934 of 43 per cent, 42 per cent, and 43 per cent. The milreis value showed an increase of 18 per cent. This shows a less satisfactory condition than existed in 1934, and it is problematical whether the balance will be sufficient to meet all requirements or whether foreign exchange, which otherwise would be used in payment of imported merchandise, will be diverted.

Milreis values in each of the three classes of Brazilian exports reflect by their increases a greater export effort in 1935. These increases are carried forward into the dollar value for the first two classes, those of animal products and mineral products, but the most important class, that of vegetable products,

decreased from \$228,500,000 in 1934 to \$213,753,000 in 1935. Coffee accounts for the greatest decrease, \$150,000,000 in 1934 to \$124,000,000 in 1935. Cotton export values increased from \$33,000,000 in 1934 to \$37,000,000 in 1935.

As regards imports, increases have been recorded in all classes. In raw materials there has been an increase from \$43,000,000 to \$69,000,000, in manufactured articles from \$101,000,000 to \$112,000,000, and foodstuffs from \$33,000,000 to \$40,000,000.

The greatest increases in raw material imports have been recorded in coal, which is primarily used for power; iron and steel; gasoline; and jute—the jute increase to handle the enhanced exports of Brazilian products.

The increase in value of automobiles imported in 1935 was \$3,900,000, bringing the total to \$10,200,000—an increase of over 50 per cent; and iron and steel manufactures rose by \$6,500,000 to bring the total to \$19,000,000.

In foodstuffs, wheat accounts for the greatest increase—882,000 tons valued at \$25,000,000 as against 809,000 tons valued at \$18,000,000 in 1934.

#### CHIEF SOURCES OF SUPPLY

The United States continues to be Brazil's best customer, followed by Germany, with Great Britain in third position. In 1935 South American countries, excluding the Argentine, supplanted in fourth position France, which now occupies fifth place. Important changes have occurred in the order of importance of countries supplying Brazil with her requirements. The United States continues in first place, but Germany, which in 1934 occupied the fourth place, has now moved to second place, followed by the South American countries, excluding Argentina. Argentina has moved from fifth place to the fourth place, while Great Britain has slipped from second to fifth.

#### TRADE WITH CANADA

(The figures in square brackets refer to Canadian exports and represent amounts and values as shown by the Dominion Bureau of Statistics for the calendar years; the other figures are Brazilian imports converted into Canadian equivalents.)

Brazil's trade with Canada continues to show satisfactory increases. The total trade rose from 11,830 contos in 1934 to 19,663 contos in 1935, or in dollars from \$1,283,000 to \$2,288,000, or nearly 50 per cent.

The whole of the increase in terms of dollars is due to Canadian exports, which increased \$989,000 from a total of \$882,000 in 1934 to \$1,811,000 in 1935. Brazilian exports, on the other hand, decreased from \$477,000 to \$460,000. This decrease, however, was due more to lowering of the milreis value subsequent to the return to a free currency basis and continued low prices of Brazil's export products in terms of foreign currency. The milreis value of exports increased from 6,758 contos to 8,077 contos in 1935, while tonnage increased from 3,150 metric tons to 12,900 metric tons.

#### CANADIAN EXPORTS TO BRAZIL

Canadian statistics indicate total exports to Brazil valued at \$3,500,000 in 1935 as against \$2,606,000 in 1934, an increase of approximately 35 per cent. The discrepancies between Canadian and Brazilian figures may be accounted for in two ways. First, Canadian figures are the f.o.b. values which would tend to show a lower export value than the Brazilian figures which are c.i.f. values. Second, as a considerable part of Canada's exports to Brazil passes through the hands of American firms, who either export Canadian products on behalf of their branches in Canada or act as export agents and forwarding agents for Canadian suppliers, these goods may lose their identity and be classed

as products of the United States. Much the same situation exists as regards Brazilian exports to Canada.

#### PRINCIPAL INCREASES AND DECREASES

The most important increases in imports from Canada occurred in the case of the following commodities: Copper plates and sheets for the first time appear in Brazilian statistics as coming from Canada. In 1935, 1,923 tons valued at \$389,000 were imported [42,857 cwts., \$369,000]. Aluminium manufactures also appear for the first time with a total value of \$3,300 [\$6,018 in 1934 and \$5,595 in 1935]; raw and scrap aluminium imports increased from a value of \$18,000 to \$93,000 [\$29,000 to \$104,000]. Tires and tubes increased from a total value of \$11,000 in 1934 to \$74,000 in 1935 [\$437,000 to \$660,000]. Electrical machinery increased by \$10,000, and sewing machines by \$500,000 [\$343,000 to \$1,405,877]. Canada appeared for the first time as a source of supply of electric cable to the extent of \$15,000. A small amount of wheat flour was imported, despite the fact that total imports of wheat flour decreased from 3,557 tons to 1,852 tons. Canada is credited with 95 tons valued at \$6,100 [5,363 brls., \$23,300]. Zinc imports increased from 208 tons valued at \$18,000 to 447 tons valued at \$39,500. In newsprint the Canadian returns show a substantial increase [from 142,992 tons valued at \$273,982 to 184,645 tons valued at \$333,469]. Other increases took place in the case of furs, rubber hose, electrical apparatus, iron and steel cutlery, electrical insulators, and asbestos manufactures.

Decreases in imports from Canada into Brazil have taken place in the case of raw lead from \$117,000 in 1934 to \$106,000 in 1935 [\$114,712 to \$95,766]; wheat from \$149,000 to \$6,100; codfish from \$14,900 to \$7,400 [\$38,615 to \$9,372]; apples and pears respectively from \$24,500 [\$34,849] and \$4,500 to \$10,000 [\$20,277], and zero; malt from \$21,000 to \$8,300 [\$84,376 to \$9,376]. Railway material, artificial silk yarn, and asbestos have also registered slight decreases.

Of the Brazilian exports to Canada, totalling \$461,000 in 1935 as against \$477,000 in 1934, coffee [\$370,000 as against \$346,000 in 1934], shelled and unshelled Brazil nuts [\$98,000 as against \$59,000], cocoa [\$38,000 as against \$59,000], and cocoa butter [\$28,400 as against \$13,000], represent over 75 per cent of the total.

#### TRADE WITH THE UNITED STATES

The increase in trade with the United States from \$138,900,000 in 1934 to \$144,833,000 in 1935 is due to an enlargement in the imports, from \$41,954,000 to \$51,701,000 in 1935, while Brazilian exports to the United States decreased from \$97,000,000 to \$93,000,000.

Export tonnage to the United States increased from 608,000 tons to 796,000 tons and milreis values from 1,366,000 contos to 1,616,000 contos in 1935. The United States continues to be Brazil's best customer. Exports of coffee to that country increased from 7,650 tons in 1934 to 8,684 tons in 1935, dollar values decreasing from \$80,900,000 to \$71,500,000. With the exception of coffee, cocoa butter, and timber, the dollar values of all the more important commodities registered increases; the most important were raw cocoa, hides and skins, and carnauba wax.

Thirteen of the twenty-six largest imports from the United States show increases in 1935: motor cars and chassis from \$3,946,000 to \$9,275,000; gasoline from \$3,260,000 to \$4,310,000; kerosene from \$2,713,000 to \$2,942,000; electrical machinery from \$746,000 to \$1,012,000; rubber tires and tubes from \$1,017,000 to \$1,235,000; radio apparatus from \$988,000 to \$1,259,000; refrigerators from \$533,000 to \$1,095,000; apples from \$361,000 to \$455,000; pears from \$289,000 to \$295,000. Artificial silk yarn; tinplate; sewing machines; paper not including book paper, printing paper or newsprint were among the other increases.

Decreases in imports may be primarily laid to two causes. First, loss of the trade to other competitors and, secondly, the growth of Brazilian industry. In the first category is coal, which showed a slight decrease to \$392,000; barbed wire, which has dropped from \$459,000 to \$295,000; rails, from \$2,000,000 to \$330,000; pipes and tubing, from \$402,000 to \$275,000; agricultural machinery, from \$426,000 to \$64,000; and machinery in general, which has dropped from \$1,772,000 to \$420,000.

Of the decreases which fall in the second category, cement is an important item, not so much in value as in indicating the trend of the national industry. In 1930, 384,000 tons of cement valued at approximately \$5,194,000 were imported into Brazil, of which the United States supplied roughly one-fourth. In 1935, 114,000 tons were imported valued at \$1,000,000, the United States' share of the market decreasing in value from \$65,000 to \$25,000. Prepared paints have decreased in value from \$253,000 to \$28,000; wheat flour from \$804,000 to \$387,000.

#### TRADE WITH GREAT BRITAIN

Total trade with Great Britain has decreased in value from \$60,252,000 in 1934 to \$49,286,000 in 1935, reflected in both import and export values. Exports to Great Britain decreased from \$29,726,000 to \$21,780,000, although there was registered a satisfactory gain in both the tonnage and milreis values.

The most significant decrease in exports was in cotton—\$16,500,000 in 1934 and \$6,370,000 in 1935. Coffee shipments decreased from \$236,000 to \$7,000, raw rubber from \$309,000 to \$81,000; and oranges from \$2,736,000 to \$1,540,000 in 1935. Cotton yarn, jute yarn, unmanufactured aluminium, coal, rubber tires and tubes, railway rolling stock, iron and steel manufactures, linen piece-goods, industrial machinery, agricultural machinery, and caustic soda represent the sole increases on the import side. The most important single item was cotton yarn, which rose from \$1,590,000 to \$2,070,000; followed by rolling stock for railways (primarily those of English ownership) from \$430,000 to \$867,000; coal from \$3,800,000 to \$4,000,000; and agricultural machinery from \$31,000 to \$221,000.

Increased imports of tinplate from Germany cut down United Kingdom shipments from \$768,000 to \$569,000. The heretofore satisfactory market for wood-pulp practically disappeared—\$957,000 in 1934 and \$10,000 in 1935. This business was lost to Northern European shippers. Great Britain has in the past been an important supplier of codfish, but in 1935 there was a decrease from \$958,000 to \$600,000. Pig lead, iron plates and sheets, wool yarn, cement, cotton piece-goods, newsprint, chemical manures, and chemicals general also showed decreases.

#### TRADE WITH GERMANY

Brazil's trade with Germany in 1935 showed an increase of \$27,000,000 over that of 1934, having risen from a total of \$57,000,000 to \$84,000,000. The greatest part of this increase was the result of larger imports, which rose from \$24,900,000 in 1934 to \$45,000,000 in 1935. Brazilian exports to Germany increased from \$32,200,000 to \$39,100,000, leaving an unfavourable balance of trade of \$6,000,000.

This unfavourable balance of trade requires payment by Brazil either in goods or currency and, failing the former, it will probably mean that Brazil will be forced to pass on to Germany foreign exchange developed through the sales of her products to other countries.

The greatest increase in the export trade was in raw cotton, which rose from \$5,900,000 to \$22,200,000. Raw cocoa, raw rubber, Brazil nuts, oranges, leaf tobacco, and timber and lumber are the commodities in which exports increased—in the case of leaf tobacco from \$1,600,000 to \$2,200,000. Decreases have occurred in the case of cocoa butter, hides and skins, carnauba wax, herva mate, sheep skins, and coffee [from \$18,500,000 to \$7,300,000].

Out of thirty-six of the most important items making up imports from Germany into Brazil, there have been decreases in ten. These in total amounted to approximately \$1,250,000, the greatest of which have occurred in the case of medical ampoules, from \$590,000 to \$202,000; electrical machinery, from \$552,000 to \$359,000; iron and steel manufactures, from \$605,000 to \$99,000; locks, from \$536,000 to \$294,000; and cotton goods, from \$269,000 to \$36,000. In the case of ampoules, locks and padlocks, and cotton goods, the decrease was due to the growing Brazilian industry manufacturing these articles. Iron and steel manufactures and electrical machinery decreases are to a great extent made up by increased imports from Great Britain and the United States.

There are four important increases registered: iron and steel unmanufactured, from \$617,000 to \$2,785,000; coal, from \$388,000 to \$1,320,000; wire, other than barbed wire, from \$555,000 to \$1,116,000; and paper, from \$347,000 to \$1,194,000.

Other increases took place in wood-pulp, malt, and hops. Vehicles increased from \$60,000 to \$233,000; barbed wire from \$341,000 to \$602,000; tinplate from \$392,000 to \$683,000; iron and steel pipes from \$366,000 to \$910,000. Grinding wheels, photographic material, sewing machines, fertilizers, and motor cars and accessories were among the other increases.

#### TRADE WITH JAPAN

Brazilian exports to Japan increased from \$755,000 in 1934 to \$1,182,000 in 1935; exports of cotton increased from \$414,000 to \$780,000.

Brazil imported \$2,000,000 worth of goods from Japan in 1935 against \$1,100,000 in 1934. Fifteen items make up the bulk of this trade. The most noteworthy increases were in wool yarn and silk yarn, which have respectively risen from \$55,000 and \$17,000 to \$248,000 and \$211,000. Increases have also been shown in cotton piece-goods [from \$6,000 to \$21,000], in cotton manufactures, rubber and celluloid toys, and grinding wheels. On the other hand, rubber-soled shoes have decreased from \$7,000 to \$3,000; bicycles from \$59,000 to \$37,000; porcelain and earthenware manufactures from \$280,000 to \$10,000; and electric lamps from \$104,000 to \$97,000. Paper and celluloid plates and sheets have also decreased. In 1934 Japan entered the market with codfish—7 tons valued at over \$1,000; in 1935, 5 tons valued at \$690 were entered.

#### MORATORIUM IN GUADELOUPE TERMINATED

Mr. W. F. Bull, Canadian Trade Commissioner in Port of Spain, Trinidad, writes that the moratorium in the French colony of Guadeloupe, which began on October 6, terminated on October 20.

#### SILK INDUSTRY OF SOUTH CHINA

K. F. NOBLE, ACTING TRADE COMMISSIONER

[A report was published in last week's issue on the "Silk Industry of Central China."]

Hongkong, September 10, 1936.—South China, although a producer of silk for many centuries, has during the past few seasons passed through a cycle of poor years.

The vicissitudes of the South China raw silk trade have been attributable to a number of contributory causes, including (a) deterioration of quality or, possibly, to the failure of Canton silk to appreciate in quality in a comparable way to the competitive silks of Central and North China, and more particularly

Japan; (b) as Government standards are lacking in the case of Canton silk, it has suffered from the growing consumption of rayon silk and its sub-products; (c) the depreciation of the Japanese yen in 1932 made the Government-graded silks of Japan attractive not only in uniformity and quality but also on the basis of price.

#### EDUCATIONAL WORK

The Kwantung Provincial Government has recognized the gravity of the position of the sericulture industry and the necessity for improvement in the quality of their domestic silks. A sericulture section of the Department of Reconstruction has been conducting educational work in the silk-producing districts of Kwantung, with the object of improving the breeding and feeding of worms, of reducing disease, of producing better and more uniform cocoons, and of increasing production. To date the work has only been on an experimental scale, but the results have been of sufficient importance to justify the anticipated widespread extension of the scheme.

#### MAINTENANCE OF STANDARDS

The Provincial Government, however, have achieved a greater success with their raw silk testing bureau, likewise under the Department of Reconstruction. As its name implies, the bureau is equipped to carry out all tests on raw silk, including those for sizing, winding, seriplane, elasticity, tenacity, and conditioning. With the exception of this latter, all tests are optional and free of charge. The conditioning tests, however, are compulsory, and no silk can be exported without the Silk Testing Bureau certificate of moisture content, for the purpose of ensuring exact net weight for invoicing purposes. The Silk Testing Bureau's weight certificates are based on the premise of a natural moisture content of 11 per cent, and all invoices, whether in respect to purchases by members of the Association of Raw Silk and Waste Exporters of Canton and of resale to foreign buyers, are against such adjusted net invoice weights.

Although not subject to Government standards, the Association of Silk Exporters in Canton are now selling on well-maintained company standards, which, through the services of the association, have been brought to a substantial degree of uniformity and to the point where the association's classifications of brands by quality are accepted by foreign buyers.

A detailed list of grades recognized by the association and their classifications of the numerous export brands under these grades are available on application to the Department of Trade and Commerce, Ottawa.

#### THE PREVAILING CLASS

All New York purchases and the major portion of shipments to buyers in Indo-China and India are of the "new style crack" type, which is the commonest quality of Canton silk, and which is represented by more than 125 export labels out of the 160 recognized by the Silk Exporters' Association. These "new style crack" labels, incidentally, account for more than 80 per cent of Canton's total raw silk exports. The preferred sizes for shipments to the New York market are 14/16 deniers and 20/22 deniers, which, presumably, would be the specifications which would be attractive to the Canadian buyer.

#### PRODUCTION AND EXPORTS

The normal production of Canton silk has ranged from 45,000 to 50,000 bales of 108 pounds net weight, though subsequent to the crisis of 1932 seasonal exports declined by more than 50 per cent and are only now beginning to recover.

With the more optimistic note of the present season, independent opinion of the several members of the association is that the long-term average export will be reached again and probably exceeded within the next three years.

Trade figures of the Association of Raw and Waste Silk Exporters record exports amounting to 21,577 bales during the 1935-36 season (May 1 to April 30) as against 29,069 bales during 1934-35 and 35,900 during 1933-34. Countries of destination are not clearly stated in the returns.

#### HARVESTING

Canton silk is normally white in colour, with a distinctive lustre which has been described as a "pearl sheen." Of the seven crops of cocoons each year, which appear at the rate of one a month from April to October, the fourth, fifth, sixth, and seventh, from late July to October, are of better quality owing to the drier climatic conditions. Even such better quality silk is admittedly inferior to that of Japan and Shanghai, having a more irregular thread and a larger percentage of defects, which have restricted the use of Canton raw silks to the manufacture of velvets, crepes, and prints, the texture of which is such as to conceal flaws.

The decline in the quantity of raw silk produced in Canton appears to have been arrested. During the past three to four years local producers have found cocoon farming unremunerative, but the currency reform brought in by the National Government in November, 1935, with the resultant lowering of the Canton dollar in terms of foreign currencies, has enabled the Cantonese to obtain better prices for their silk, without increasing its cost to the buyers abroad.

#### WASTE SILK

As a by-product of the raw silk trade is the export of waste, comprising the outer layers from the cocoons, which, having been spun first by the worms, are too fine for use as silk, and the unsatisfactory ends of partly unwound cocoons. The annual production of waste is about equivalent to that of raw silk. New York is the largest single export market, taking an average over a period of years of some 50 per cent of the total turnover.

Additional information, including the names and addresses of the members of the Canton Silk Association and the association's classification of brands by qualities, are available as an appendix to this report on application to the Department of Trade and Commerce, Ottawa.

#### PRELIMINARY RICE CROP ESTIMATE OF JAPAN

Mr. A. K. Doull, Assistant Trade Commissioner in Tokyo, writes under date October 3, 1936, that, according to the Department of Agriculture and Forestry, the 1936 rice crop of Japan will amount to 339,200,000 bushels, second only to the record yield in 1933. This estimate is based on surveys made on September 20. The authorities believe that the estimate may be made even larger when they make their second estimate towards the end of this month. Prices are expected to be 10 per cent lower than last year because of a large crop. On the basis of the present estimate this year's crop is 18.1 per cent larger than the actual 1935 crop and 14.8 per cent above the last five years' average yield. The crop per tan (0.245 acres) is estimated at 10.58 bushels approximately. The 1933 yield was 11.16 bushels per tan.

## SUMMARY OF THE TRADE OF CANADA: MONTH, NINE MONTHS, AND TWELVE MONTHS ENDING SEPTEMBER, 1936

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of September, 1936				Nine Months ending September, 1936				Twelve Months ending September, 1936			
	Total Imports	From United Kingdom		From United States	Total Imports	From United Kingdom		From United States	Total Imports	From United Kingdom		From United States
	\$	\$	\$		\$	\$	\$		\$	\$	\$	\$
<i>Imports for Consumption</i>												
Agricultural and Vegetable Products.....	10,105,315	1,373,063	2,620,026	84,880,980	11,922,669	27,128,610	114,957,094	17,589,373	34,129,890			
Animals and Animal Products.....	2,197,997	363,449	1,026,604	19,192,985	2,850,135	9,489,437	25,254,705	3,920,501	11,765,697			
Fibres, Textiles and Textile Products.....	7,841,704	3,828,471	2,411,040	71,739,587	33,607,225	23,208,000	94,108,845	43,061,566	32,036,197			
Wood, Wood Products and Paper.....	2,442,153	396,994	1,811,572	19,395,747	2,537,304	15,402,292	25,604,738	3,563,725	20,046,831			
Iron and its Products.....	10,098,221	1,840,205	7,860,245	98,435,325	15,599,555	79,147,647	125,855,221	21,392,235	99,092,595			
Non-Ferrous Metals and their Products.....	2,525,160	413,920	1,683,022	25,900,200	3,897,592	18,045,341	34,645,490	5,308,706	24,074,278			
Non-Metallic Minerals and their Products.....	11,118,591	1,147,371	8,386,272	81,747,885	9,358,850	61,493,512	110,462,111	12,874,146	82,247,438			
Chemicals and Allied Products.....	2,480,398	631,054	1,297,264	22,539,373	4,963,318	13,414,167	31,158,303	6,730,821	17,868,796			
Miscellaneous Commodities.....	4,173,363	911,216	2,662,634	27,034,291	4,984,045	18,381,861	36,098,101	6,641,277	24,298,394			
<b>Total Imports, 1936.....</b>	<b>52,982,972</b>	<b>10,905,743</b>	<b>29,758,679</b>	<b>450,866,373</b>	<b>89,430,693</b>	<b>265,706,867</b>	<b>598,144,608</b>	<b>121,082,350</b>	<b>345,560,216</b>			
<b>1935.....</b>	<b>44,689,463</b>	<b>9,729,408</b>	<b>24,195,166</b>	<b>403,036,316</b>	<b>85,018,570</b>	<b>232,563,255</b>	<b>539,256,521</b>	<b>115,852,732</b>	<b>307,716,012</b>			
<b>1934.....</b>	<b>42,207,602</b>	<b>9,321,257</b>	<b>23,740,068</b>	<b>377,249,292</b>	<b>82,581,822</b>	<b>218,027,056</b>	<b>497,398,663</b>	<b>112,644,956</b>	<b>280,909,995</b>			
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	31,075,618	18,755,274	6,742,299	211,855,998	119,613,806	42,367,438	305,251,618	184,191,871	57,977,793			
Animals and Animal Products.....	10,264,457	6,038,027	3,205,964	89,169,131	47,205,847	33,744,022	117,035,637	63,280,137	40,869,045			
Fibres, Textiles and Textile Products.....	1,038,439	172,913	189,834	8,952,440	1,808,319	2,047,830	11,569,633	2,332,713	2,830,817			
Wood, Wood Products and Paper.....	19,816,610	3,125,770	13,337,691	148,816,965	22,988,687	102,123,775	199,816,552	31,678,550	136,836,005			
Iron and its Products.....	3,732,565	959,978	331,243	38,373,186	8,381,063	4,332,892	50,556,855	11,408,403	5,961,579			
Non-Ferrous Metals and their Products.....	17,906,568	2,689,153	7,961,522	147,726,576	56,248,467	68,757,987	209,024,237	72,526,186	105,792,250			
Non-Metallic Minerals and their Products.....	2,055,701	228,361	1,874,403	16,054,616	1,874,403	10,120,462	21,788,480	2,632,530	13,493,512			
Chemicals and Allied Products.....	1,528,653	299,793	544,028	12,917,763	2,600,604	5,882,020	17,251,333	3,498,942	7,708,915			
Miscellaneous Commodities.....	1,425,568	285,702	884,770	11,294,348	2,838,502	6,496,570	14,375,605	3,285,286	8,610,899			
<b>Totals, 1936.....</b>	<b>88,894,179</b>	<b>37,164,971</b>	<b>35,120,686</b>	<b>685,161,023</b>	<b>264,069,688</b>	<b>275,872,996</b>	<b>947,269,850</b>	<b>374,834,618</b>	<b>380,080,875</b>			
<b>1935.....</b>	<b>77,258,615</b>	<b>25,537,322</b>	<b>38,603,286</b>	<b>563,175,187</b>	<b>196,132,112</b>	<b>254,361,857</b>	<b>780,961,262</b>	<b>285,294,166</b>	<b>340,089,152</b>			
<b>1934.....</b>	<b>63,566,136</b>	<b>29,969,909</b>	<b>20,864,890</b>	<b>540,859,166</b>	<b>208,092,500</b>	<b>215,431,114</b>	<b>729,946,907</b>	<b>299,240,496</b>	<b>266,349,285</b>			
<i>Exports (Foreign Produce)</i>												
Totals, 1936.....	688,219	56,593	567,988	7,465,366	697,486	6,211,005	11,609,077	929,866	9,924,899			
1935.....	1,587,227	34,955	1,499,861	8,915,234	584,942	7,820,863	10,577,928	794,384	9,112,669			
1934.....	679,567	43,711	568,702	5,353,098	688,356	4,158,180	7,136,732	851,909	5,575,224			
<i>Excess of Imports (i) or All Exports (e)</i>												
Totals, 1936.....	(e) 30,599,426	(e) 26,315,821	(e) 5,939,995	(e) 294,760,016	(e) 175,338,481	(e) 16,377,134	(e) 380,734,419	(e) 254,682,134	(e) 44,445,558			
1935.....	(e) 34,156,379	(e) 15,842,869	(e) 15,907,981	(e) 169,054,105	(e) 111,698,434	(e) 29,619,465	(e) 252,282,669	(e) 170,235,818	(e) 41,435,809			
1934.....	(e) 22,038,101	(e) 20,692,363	(e) 2,306,476	(e) 168,962,972	(e) 126,179,034	(e) 962,238	(e) 239,684,976	(e) 187,447,449	(e) 8,935,486			

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### United Kingdom Tariff Revision Proposals

The Import Duties Advisory Committee of the United Kingdom give notice of an application for an increase in the import duty on hand sewing needles (at present 20 per cent ad valorem).

In connection with the anticipated review of certain trade agreements the committee also give notice of applications for increases in the import duties on the following articles:—

Softwood planed or dressed boards, including weatherboards, floorings, matchings, and skirtings, whether processed in various ways or not (at present mainly 10 per cent ad valorem); boxboards other than plywood boxboards (at present softwood boxboards in sets or not, except dove-tailed, mortised, or tenoned at the ends, 10 per cent ad valorem; hardwood boxboards not in sets and not further prepared than rebated or tongued or grooved, 10 per cent ad valorem; other boxboards, 20 per cent ad valorem); wood flour (at present 15 per cent ad valorem); sodium chlorate (at present 10 per cent ad valorem, except R grade which is subject to Key Industry Duty of 33½ per cent ad valorem).

The committee announce that they have decided not to make any recommendation in regard to the application previously advertised (see *Commercial Intelligence Journal* No. 1668, January 18, 1936) for the imposition of a specific duty on certain dressed and dyed fur skins, which are at present dutiable at 15 per cent ad valorem.

The foregoing, when Canadian products within the meaning of the Imperial preference regulations, are admissible into the United Kingdom duty free.

### United Kingdom Trade Agreement with Peru

The Canadian Trade Commissioner in London writes that a trade agreement between the United Kingdom and Peru was signed at Lima on October 6 and is to come into force on the exchange of ratifications. The tariff articles of the agreement took effect provisionally from the day after publication of the treaty.

The basis of the agreement is reciprocal most-favoured-nation treatment of goods in respect of customs duties, customs formalities, and import prohibitions. In addition, special tariff treatment is conceded by each of the contracting countries to certain classes of goods imported from the other.

### Netherlands Abolishes Import Restrictions on Leather

Mr. J. C. Macgillivray, Canadian Trade Commissioner, Rotterdam, advises that by a royal decree effective October 8, 1936, the restrictions on the importation into the Netherlands of sole leather, leather belting, harness and saddlers' leather, to which reference was made in *Commercial Intelligence Journal* No. 1688 (January 18, 1936), page 134, have been abolished.

### Netherlands Import Restrictions on Plywood

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, states that by a royal decree of September 29, 1936, the restrictions on the importation into the Netherlands of plywood, with the exception of alder, birch, beech, and Douglas fir, to which reference was made in *Commercial Intelligence Journal* No. 1681 (April 18, 1936), page 713, have again been extended. During the period from October 1, 1936, to September 30, 1937, inclusive, imports shall not exceed 50 per cent of the gross weight imported from each exporting country during 1934. A certificate of origin is required for the entry of plywood.

The Minister of Commerce, Industry, and Shipping may in addition grant special quotas to designated countries.

## Removal of Swiss Import Duties on Fresh Apples

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, writes under date October 12, 1936, that by virtue of a Federal decree of October 2, 1936, which became effective on October 5, 1936, the duties on fresh apples have been removed. The former rate was frs.2 per 100 kilos when in bulk or in sacks and frs.5 per 100 kilos when in other packages.

While apples now enter Switzerland duty free, the existing quota restrictions remain in force.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Kitchener, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Sardines in Oil.....	689	Brussels, Belgium.....	Agency.
<b>Miscellaneous—</b>			
Anklets of Cotton and Rayon....	690	Hamilton, Bermuda.....	Agency.
Men's Fleece-lined Underwear...	691	Belfast, Northern Ireland..	Agency.
Pulpwood.....	692	Amsterdam, Holland.....	Purchase and Agency.
Chemical Wood-pulp.....	693	Amsterdam, Holland.....	Purchase and Agency.
Rubber Stamps or Accessories	694	Cape Town, South Africa..	Agency.
Used in the Manufacture of Complete Units.			
Rubber Garden Hose.....	695	Melbourne, Australia.....	Agency.
Floor Sanding Machines (Motorized and Hand).	696	Johannesburg, South Africa	Agency.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCTOBER 26

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 26, and for the week ending Monday, October 19, 1936, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending October 19	Nominal Quotations in Montreal Week ending October 26	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1872	\$ .1875	3½
Belgium . . . . .	Belga	.1001	.1682	.1683	2
Bulgaria . . . . .	Lev	.0072	.0130	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0354	.0354	3
Denmark . . . . .	Krone	.2680	.2180	.2182	3½
Finland . . . . .	Markka	.0252	.0215	.0216	4
France . . . . .	Franc	.0392	.0465	.0464	2
Germany . . . . .	Reichsmark	.2382	.4022	.4020	4
Great Britain . . . . .	Pound	4.8666	4.8843	4.8887	2
Greece . . . . .	Drachma	.0130	.0090	.0090	7
Holland . . . . .	Guilder	.4020	.5365	.5390	2½
*Hungary . . . . .	Pengo	.1749	.2958	.2955	4
Italy . . . . .	Lira	.0526	.0526	.0526	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0230	5
Norway . . . . .	Krone	.2680	.2454	.2456	3½
Poland . . . . .	Zloty	.1122	.1883	.1882	5
Portugal . . . . .	Escudo	.0442	.0444	.0445	4½
Roumania . . . . .	Leu	.0060	.0073	.0075	4½
Spain . . . . .	Peseta	.1930	.2518	.2520	5
Sweden . . . . .	Krona	.2680	.2520	.2520	2½
Switzerland . . . . .	Franc	.1930	.2296	.2298	2
United States . . . . .	Dollar	1.0000	1.0000	1.0000	1½
Mexico . . . . .	Peso	.4985	.2775	.2775	4-5
Cuba . . . . .	Peso	1.0000	.9992	.9992	—
Guadeloupe . . . . .	Franc	.0392	.0465	.0464	—
Jamaica . . . . .	Pound	4.8666	4.8943	4.8987	—
Martinique . . . . .	Franc	.0392	.0465	.0464	—
Other British West Indies	Dollar	1.0138	1.0175	1.0185	—
Argentina . . . . .	Peso (Paper)	.4245	.3256	.3259	3½
		Unofficial	.2770	.2775	—
Brazil . . . . .	Milreis (Paper)	.1196	.0868	.0868	—
		Unofficial	.0583	.0587	—
British Guiana . . . . .	Dollar	1.0138	1.0175	1.0185	—
Chile . . . . .	Peso	.1217	.0517	.0517	4½
		Unofficial	.0417	.0417	—
Colombia . . . . .	Peso	.9733	.5690	.5690	4
Peru . . . . .	Sol	.2800	.2400	.2500	6
Venezuela . . . . .	Bolivar	.1930	.2500	.2500	—
Uruguay . . . . .	Peso	1.0342	.7979	.8000	—
South Africa . . . . .	Pound	4.8666	4.8781	4.8825	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.0250	5.0100	—
China (Shanghai) . . . . .	Dollar	.....	.2933	.2934	—
Hongkong . . . . .	Dollar	.....	.3302	.3028	—
India . . . . .	Rupee	.3650	.3690	.3692	3
Japan . . . . .	Yen	.4985	.2853	.2856	3.29
Java . . . . .	Guilder	.4020	.5390	.5415	—
Siam . . . . .	Baht (Tical)	.4424	.4491	.4481	—
Straits Settlements . . . . .	Dollar	.5678	.5727	.5731	—
Australia . . . . .	Pound	4.8666	3.9075	3.9100	—
New Zealand . . . . .	Pound	4.8666	3.9390	3.9350	2½

\* Unofficial: .1978

The Dominion Bureau of Statistics has supplied the following note:—

Exchanges continued to exhibit a marked degree of stability during the week ended October 26. Montreal rates on the pound sterling and the French franc declined fractionally, but quotations on New York funds remained at par. Recent central bank statements failed to reveal any significant changes in gold holdings, but the evidence of these statements is now inconclusive since the arrangement of the three principal Equalization Authorities to facilitate gold transfers to each other. These transfers are not made public. News intimations from financial markets indicated that considerable transfers of French capital were being made from London to New York, but the amounts actually returning to France were not considered to be very great.

### CERTIFICATES OF ORIGIN FOR BRITISH PREFERENCES

Canadian exporters are reminded of the importance of supplying correct certificates of origin for goods entitled to preferential tariff treatment in Empire countries. The regulations to be observed vary enough to preclude use of uniform documentation for the different British markets. As regards the principal market, the United Kingdom, goods regarded as growth or produce require 100 per cent Empire content; optical goods and parts require 75 per cent; a selected list of manufactured goods (see F.T.D. Leaflet No. 95) require 50 per cent; for other manufactured goods 25 per cent Empire content suffices. A small number of ingredients must qualify independently for preference. Each "article" is subject to the preference test separately, so that when machinery, etc., is shipped to the United Kingdom knocked-down each separate assembly or part must qualify in itself to be entitled to preference. Notice 27A of the London Custom House, issued in March, 1935, prescribes appropriate forms as follows: D, 119 (Sale), for growth or produce; E, 120 (Sale), for manufactured goods; F, 121 (Sale), for manufactured tobaccos and sugars; FF, 122 (Sale), a supporting certificate for ingredients.

### PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

#### From Montreal

*To Liverpool.*—Duchess of Richmond, Nov. 6; Duchess of York, Nov. 14; Duchess of Atholl, Nov. 20; Duchess of Bedford, Nov. 25; Montrose, Nov. 26—all Canadian Pacific; Antonia, Nov. 6; Andania, Nov. 20—both Cunard-White Star Line.

*To London.*—Beaverdale, Nov. 6; Beaverburn, Nov. 13; Beaverhill, Nov. 20; Beaverford, Nov. 26—all Canadian Pacific; Ascania, Nov. 6; Aurania, Nov. 13; Ausonia, Nov. 20; Alaumia, Nov. 27—all Cunard-White Star Line.

*To Manchester.*—Manchester Producer, Nov. 5; Manchester Commerce, Nov. 12; Manchester Division, Nov. 19; Manchester Regiment, Nov. 25—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Dakotian, Nov. 4; Norwegian, Nov. 21—both Cunard-Donaldson and Dominon Lines.

*To Southampton.*—Montrose, Canadian Pacific, Nov. 26.

*To Cardiff, Bristol and Swansea.*—New York City, Bristol City Line, Nov. 12.

*To Glasgow.*—Delilian, Nov. 6; Athenia, Nov. 13; Sulairia, Nov. 20; Letitia, Nov. 27—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnesk, Nov. 5; Cairnglen (calls at Dundee), Nov. 19; Cairnross, Nov. 28—all Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kelso, Nov. 3; Kyno, Nov. 26—both Ellerman's Wilson Line.

*To Dublin and Belfast.*—Melmore Head, Nov. 5; Fanad Head, Nov. 18—both Head Line (cargo accepted for Londonderry and Cork).

*To Antwerp and Havre.*—Beaverburn (does not call at Havre), Canadian Pacific, Nov. 13; Kings County, Nov. 14; Brant County, Nov. 27—both County Line.

*To Rotterdam.*—Columbia, Nov. 3; Grey County, Nov. 20; Hada County, Nov. 28—all County Line.

*To Hamburg.*—Beaverdale, Canadian Pacific, Nov. 6; Frankfurt (calls at Bremen), North German Lloyd Line, Nov. 27.

*To Copenhagen, Gothenburg and Baltic Ports.*—A steamer, Swedish-America-Mexico Line, November.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Akre, Gardiaz Line, Nov. 16.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Olmo, Capo Line, Nov. 11.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Delia, Nov. 2; Lotos (calls at Bay Roberts, Carbonear and Port Union but not at St. Pierre), Nov. 6; Rein, Nov. 10—all Shaw SS. Co.; Belle Isle, Nov. 6; a steamer, Nov. 9—both Newfoundland-Canada SS. Co.

*To Cornerbrook, Nfld.*—A steamer, Clarke SS. Co., November.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Chomedy (calls at Guadeloupe and Martinique if sufficient cargo offered), Canadian National, Nov. 12.

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—A steamer, Canadian National, November.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion SS. Corp., Oct. 26.

*To Brisbane, Sydney, Melbourne and Adelaide.*—City of Canton, Montreal Australia New Zealand Line, Nov. 21.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Canadian Constructor, Montreal Australia New Zealand Line, Nov. 28

*To Manila, Hongkong, Shanghai, Yokohama and Dairen.*—Myrmidon (does not call at Yokohama or Dairen), Blue Funnel Line, Nov. 14.

*To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London and Durban.*—Kepwickhall (does not call at Freetown, Sierra Leone), Nov. 5; Calgary, Nov. 15; Egba (calls at Walvis Bay, Lourenco Marques and Beira)—all Elder Dempster Lines Ltd.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Ripon, Ellerman & Bucknall SS. Co., Nov. 28.

*To Santos and Buenos Aires.*—Rigel (calls at Rio de Janeiro), International Freighting Line, Nov. 10; Nordkap (calls at Montevideo but not at Santos), Canada-South America Line, Nov. 15

### From Quebec

*To Southampton.*—Empress of Britain, Canadian Pacific, Nov. 7.

### From Halifax

*To Liverpool.*—Manchester Exporter, Nov. 10; Manchester Hero, Dec. 2—both Manchester Line; Newfoundland, Nov. 14; Nova Scotia, Nov. 28—both Furness Line.

*To London and Hamburg.*—Quaker City, Nov. 12; Capulin, Nov. 26—both American Hampton Roads (call at Hull and Dundee); Beemsterdyk (calls at Rotterdam but not at Hamburg), Holland-America Line, Nov. 2.

*To Manchester.*—Manchester Exporter, Nov. 10; Manchester Commerce, Nov. 15; Manchester Spinner, Nov. 24; Manchester Regiment, Nov. 26; Manchester Hero, Dec. 2—all Manchester Line.

*To Cardiff, Bristol and Swansea.*—Moorish Prince, Nov. 23; Montreal City, Dec. 19—both Bristol City Line.

*To Newcastle and Leith.*—Cairnesk, Nov. 9; Cairnglen, Nov. 23; Cairnross, Dec. 1—all Cairn-Thomson Line.

*To Copenhagen and Baltic Ports.*—Batory, Nov. 6; Pilsudski, Nov. 30—both Gdynia-America Line (call at Gdynia).

*To Gothenburg.*—Drottningholm, Nov. 21; Gripsholm, Dec. 10—both Swedish-America Line.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Townsend, Nov. 2; Fort Amherst, Nov. 9—both Furness-Red Cross Line; Kongshaug, Newfoundland-Canada SS. Ltd., Nov. 2; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Nov. 4; Newfoundland, Nov. 14; Nova Scotia, Nov. 28—both Furness Line (do not call at St. Pierre).

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Nov. 5; Lady Hawkins, Nov. 19—both Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion Line, November.

*To Santiago (Cuba) and Kingston (Jamaica).*—Kirston B. Pickford & Black Ltd., Nov. 4.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Colborne (calls at St. Georges, Bermuda), Nov. 2; Chomedy, Nov. 16—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Kingston (Jamaica) and Belize (British Honduras).*—A steamer, Canadian National, November.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Silvercypress, Nov. 7; Siamese Prince, Nov. 21; Silverwalnut, Dec. 5—all Silver-Prince Line.

### From Saint John

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, Canadian National, Nov. 11.

*To Kingston and Jamaican Outports.*—Harboe Jensen, Nov. 7; a steamer, Nov. 21—both United Fruit Line.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—A steamer, American and Indian Line, November.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, Nov. 18; Hiye Maru, Dec. 5; Heian Maru, Dec. 26—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Japan (calls Honolulu), Nov. 14; Empress of Asia (calls Nagasaki), Nov. 27; Empress of Canada (calls Honolulu), Dec. 12; Empress of Russia (calls Nagasaki), Dec. 18—all Canadian Pacific; Talthybius (calls at Miike but not at Manila), Blue Funnel Line, Nov. 22.

*To Tsingtao and Dairen.*—Harpasa, Ocean Shipping Co., early November.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Silveray, Silver-Java Pacific Line, Nov. 30.

*To Honolulu, Suva, Auckland and Sydney.*—Aorangi, Nov. 4; Niagara, Dec. 2—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Bear (calls at Lyttelton and Dunedin if sufficient cargo offered), Oceanic and Oriental Navigation Co., Nov. 15.

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Limerick, Canadian-Australasian Line, Nov. 25.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Tolken, Empire Shipping Co., Nov. 12.

*To Sydney, Melbourne and Adelaide.*—Wearpool, November; Uganda, November; Induna, November—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Drecht dyk (calls at Glasgow), Nov. 14; Nebraska, Nov. 28; Damsterdyk (calls at Glasgow), Dec. 12—all Holland-America Line.

*To London, Liverpool and Cardiff.*—A steamer, Reardon Smith Line, November.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—A steamer, Empire Shipping Co., November.

*To Scandinavian Ports.*—Annie Johnson, Nov. 9; Argentina, Nov. 19; Canada, Dec. 7—all Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Cellina, Empire Shipping Co., Nov. 15.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., November.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Siantar, Nov. 5; Silverpalm, Dec. 5—both Silver-Java Pacific Line.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Hoyanger, Nov. 27; a steamer, Dec. 28—both Empire Shipping Co.

### From New Westminster

*To London and Liverpool.*—John Baake (calls at Glasgow, Manchester and Belfast but not at London), Canada Shipping Co., Nov. 8; Fresno Star, Nov. 10; Gaelic Star, Nov. 25; Ionic Star, Dec. 7; Albion Star, Dec. 21—all American Mail Lines Ltd. (call at Glasgow, Rotterdam and Newcastle); Parthenia, Nov. 15; Corrientes, Nov. 28; Gracia, Dec. 12—all Balfour Guthrie & Co. (call at Glasgow); Drecht dyk, Nov. 15; Nietheroy, Nov. 29; Damsterdyk, Dec. 12; Lochgoil, Dec. 26—all Royal Mail Lines Ltd. (call at Glasgow, Southampton and Rotterdam); Lauritz Swensen (calls at Hull and Oslo), Anglo-Canadian Shipping Co., Nov. 19; Pacific Exporter (calls at Glasgow and Manchester), Furness Line Ltd., Nov. 18.

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, B. W. Greer & Son Ltd., Nov. 7.

*To Australian Ports.*—Tolken, Empire Shipping Co., Nov. 7; Limerick (calls at New Zealand ports), Canadian-Australasian Line, Nov. 15.

*To South African Ports.*—Siantar, Dingwall Cotts & Co., Nov. 15.

*To Manila and Iloilo.*—Silver Ray, late November; Hopecrest, late December—both Dingwall Cotts Co.

**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*  
*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. (Territory covers Central China, North China, and Manchuria.) *Cable address, Canadian.*

### Cuba

E. L. McCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

### Germany

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**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

# COMMERCIAL INTELLIGENCE JOURNAL



Vol. LV

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No. 1710



Canadian Wheat being unloaded at Auckland, New Zealand.  
In the Background is a Tray of Canadian Flour.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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## TRADE WITH SOVIET RUSSIA

The Department of Trade and Commerce has available a list of the principal organizations in the Union of Soviet Socialist Republics who are concerned with the importation of products from other countries. Canadian firms desirous of submitting offers for the sale of products to Soviet Russia should communicate with the Department of Trade and Commerce, Ottawa, requesting that they be supplied with a copy of the list referred to above. (Refer file No. 22320.)

## CONDITIONS IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER

London, October 21, 1936.—The trade revival in the United Kingdom continues practically without interruption. During the third quarter of the year the doubtful factors arising from internal difficulties in certain foreign countries seem to have been more than counterbalanced by favourable events in other fields. The approach of autumn has, as usual, been accompanied by increasing business activity in almost all directions. The preparations for the Coronation next year are also being reflected in more orders for a large number of manufacturers. The present position and outlook, as far as domestic trade is concerned, are definitely encouraging, and point to further expansion.

That the recovery is not dependent upon such temporary influences as the boom in house building or the Government's armaments program, but is based upon a wider foundation, was the subject of a recent speech by the Chancellor of the Exchequer. Elaborating this point, which is obviously an important one in determining future prospects, he stated:—

The effect of the boom in house building on general recovery has been a good deal exaggerated, and, realizing that that boom will not continue for ever, I thought it was worth while to make some inquiry as to what, in fact, it did mean, and after careful investigation I find that the increase in employment in the whole building trade since 1932, when the rise began, and including the increased employment in the ancillary trades, cannot be put at much higher than 350,000.

That is less than a quarter of the total increase in employment in all industries during the same period, and you will see, therefore, that if you consider house-building alone, which forms only a fraction of the whole building trade, it cannot possibly have played a major part in the recovery that we see around us. And the same thing may be said of the armaments program. Like every large project involving great expenditure, that program required extensive preliminary preparation, and, although once the outlay began it had to rise with startlingly rapid acceleration, yet the earlier stages are always slow in registering progress.

And our expenditure on the armaments program so far—although it is quite enough to upset my budget estimates—has not gone to such an extent as to make a serious difference in the volume of our recovery.

## CURRENCY AGREEMENT

Foreign trade, while improving, has not progressed in the same measure as domestic trade, due mainly to restrictive tariffs and quotas and exchange controls, but partly to the absence of an international monetary standard. The currency agreement concluded between the United Kingdom, the United States, and France, following the devaluation of the franc, and to which other European nations have signified their adhesion, will, it is expected, exert a loosening effect on these restrictions.

The disparities which hitherto existed in the price levels of different countries must tend to disappear under the new conditions of co-operation, and pave the way to a freer flow of commerce. United Kingdom manufacturers and merchants are in an excellent position to take advantage of any extension of international trade which may develop, and this expectation has given a distinct impulse to optimism in business circles during the past few weeks.

## EMPLOYMENT

The Minister of Labour estimated that at the end of September there were 10,966,000 insured persons in employment in Great Britain. This was 5,000 more than a month before, and 488,000 more than at the end of September, 1935.

The number of unemployed persons on the registers of the Employment Exchanges in Great Britain was 1,624,339. This figure is 10,399 in advance of the total registered at the end of August, but 334,024 less than at the corresponding date a year ago. This slight growth in unemployment is attributable mainly to seasonal causes. In September there is always a reduction of employment in hotel services and in the distributive trades. The decorative division of the building trade also slackens off at the end of the summer, and this probably accounts for the increase of 7,896 in total building trade unemployment during the month.

The general broadening of employment is an indication of the business revival. Skilled labour is indeed reported to be scarce in certain trades.

## BUILDING

The amount of building construction during the quarter shows no sign of diminution. As has previously been forecasted, the volume of unsubsidized building of dwelling houses seems to be falling away, but this anticipated decline is at the moment more than compensated for by the activity in slum clearance which is being conducted under State assistance, and which intensifies from month to month. On top of this there is more work in prospect in connection with the construction of factories and non-residential properties. No recession in the building trade is therefore in sight.

## IRON AND STEEL

The outlook for iron and steel remains very bright. At the end of September there were 111 furnaces in blast in the United Kingdom. The production of pig iron in that month reached 650,000 tons, an increase of 15,000 tons over August, and of 121,200 tons over September, 1935. The rate of advance in the production of steel ingots and castings has been even more spectacular. Production of these items totalled no less than 1,027,900 tons during September as compared with 872,700 tons in August, and 855,900 tons a year ago. Orders are reported to be coming in steadily, and in certain lines difficulty is being experienced in fulfilling deliveries.

The Government's decision to give legislative effect to the system of quotas arranged between the United Kingdom manufacturers and the Continental cartel will tend further to strengthen and stabilize the position in this industry, which seems to be assured of prosperity for some time at least.

## COAL

The home section of the coal trade has benefited by the general improvement in the demand for fuel resulting from increased industrial production. The household coal business has also experienced its customary seasonal revival. The output has consequently risen in those mines catering to local requirements. The quantity of coal produced during the five weeks ended September 19 was 22,109,400 tons compared with 21,394,700 tons in the corresponding weeks last year. Exports of coal, on the other hand, have declined. Special causes are responsible for the decrease. The Spanish market has been practically cut off, due to the civil war, whilst in the absence of an arrangement for trading with Italy (at one time Britain's second best customer for coal) exporters are unable to effect sales in that market.

## ENGINEERING

Most branches of engineering are working to capacity, and manufacturers of machine tools, in particular, are experiencing difficulty in finding a sufficient supply of skilled labour. This greater demand for machinery arises from the process of re-equipment which is going on throughout British industry, and the arrangements being made to fill the orders now being allocated for armaments. The urgency of the demand in some directions has been such as to necessitate heavier importations from abroad, and as will be seen from the trade figures reproduced later in this report, the United States and Germany have been able to increase substantially their sales of machine tools to the United Kingdom in recent months.

## SHIPBUILDING AND SHIPPING

The statistics issued by Lloyd's Register of Shipping regarding merchant vessels under construction at the end of September show that in the United Kingdom there is an increase of 79,839 tons in the work in hand as compared with the figures for the previous quarter. The present total of tonnage under construction (928,571 tons) exceeds by 398,017 tons (or upward of 75 per cent) the tonnage which was being built at the end of September, 1935, and is the highest quarterly total recorded since September, 1930. It considerably exceeds the aggregate tonnage now under construction in the four leading countries abroad. Moreover, construction was commenced during the quarter on 293,176 tons, an increase of 10,854 as compared with the corresponding total for the June quarter. The decision to build a sister ship to the *Queen Mary* has been made, and work on the new vessel will soon be in full swing. These rising figures are welcome indications in an industry which has in recent years experienced bad times of unexampled severity.

Shipping freight rates began to move upward during the months of July and August, and the inquiry for tonnage is still improving. The immediate outlook is therefore better. Factors which have contributed to this amelioration are the reduced wheat harvests in Europe, which are necessitating importations, and the small maize crop in the United States, which has led to the chartering of ships to transport maize from South America.

## TEXTILES

The unfavourable weather during the summer prevented the cotton industry from reaping its full share of the improved purchasing power of the home market, and there was little change in the condition of the industry during the quarter under review. Orders from overseas sources showed little or no improvement.

The woollen trade is, upon the whole, fairly satisfactory, and the undertone is firm. Raw wool has been meeting with a good demand, and confidence in the future is being gradually restored.

Rayon manufacturers are also experiencing a better demand, more especially from domestic buyers, and the outlook is generally regarded as holding out more promise.

### PRICES

As might be expected from the general trend of affairs, wholesale prices are continuing to rise. The prospects for primary commodities are indeed more favourable than they have been for a long time past. Wheat, maize, cotton, wool, non-ferrous metals, and rubber are all displaying a firmer tendency. The extent of the improvement is evident from the following table giving the United Kingdom prices of these products as at October 14, and at the same date in 1935.

Commodity	Oct. 14, 1936	Oct. 14, 1935
Wheat, Liverpool futures Dec. . . . . (100 lbs.)	8s. 6 $\frac{1}{2}$ d.	6s. 4 $\frac{1}{2}$ d.
Maize, La Plata, London fut. Nov. . . . . (480 lbs.)	22s. 11d.	16s. 8d.
Cotton, American middling . . . . . (lbs.)	6.99d.	6.45d.
Wool, tops 64's average . . . . . (lbs.)	32d.	30d.
Copper, standard cash . . . . . (ton)	£40 $\frac{1}{2}$ s*	£35 $\frac{1}{2}$ s
Tin, standard cash . . . . . (ton)	£200*	£246
Rubber, smoked sheet . . . . . (lbs.)	7 $\frac{1}{2}$ cd.	6 $\frac{3}{4}$ cd.

\* Unofficial closing prices.

While larger consumption and special influences have affected certain articles, there is no doubt that wholesale prices have received a definite impetus from the recent realignment of currencies. The composite price index of food-stuffs and raw materials was 118.5 at the end of September compared with 116.6 at the end of August and 108.6 for September, 1935, 100 representing the level of September, 1931.

### FINANCE

The London clearing banks' statement for September indicated a new record for deposits. The total of deposits reached £2,256,638,000 compared with £2,245,889,000 in August. The increase in deposits is reflected mainly in the purchase of additional investments which increased by £7,055,000, and in advances which went up by £5,215,000. The disposable funds of the banks appear to be fully employed, but despite this fact the supply of credit is sufficiently large to prevent any stiffening of interest rates. The Stock Exchange is enjoying a boom. This is the result of better trade and an expansion in the profits of industry. It is problematical, however, that the rises which have taken place in the prices of certain securities are justified by events, and fears are expressed lest the bullish sentiment of the market may create a top-heavy condition. According to the *Investor's Chronicle*, based upon an index of 100 representing the price of all securities quoted on the London market in 1923, the level of values at the end of August, 1936, was 129.4. This compared with 136.1 during the boom of 1928, and 68.6 during the slump of 1932. Values of securities are therefore within measurable distance of those prevalent during the peak period before the depression set in.

### GENERAL ECONOMIC OUTLOOK

An assessment of the future outlook suggests that substantial expansion will occur in those industries supplying capital equipment goods, and those catering to the armaments and related industries. Government expenditures will of course play an important part in these developments. The value of Government contracts and Government-assisted development schemes, either direct or indirect, placed since April, 1935, approximates £100,000,000. The bulk of this sum is being spent in the depressed areas. The provision of employment in these districts will tend to restore them to their former place in the national economy, and to increase the general consumptive power. Retail sales figures indicate that recent increases have not been confined to the more prosperous districts, but have been common to the whole country.

Domestic trade must, under present conditions, continue to form the basis of recovery. None the less the prospects of an improvement in export trade should not be overlooked. Political, monetary and economic factors appear to be moving by degrees in the direction of freer conditions for international trade. In the meantime, British export trade will stand to gain by the £10,000,000 export credits granted to Soviet Russia to finance the purchase of British goods within twelve months, while at the time of writing it is reported that a scheme is under consideration for giving extended facilities for trade with China. Offsetting these favourable signs are the doubtful political situation in Europe and the possible limiting effect on progress of increased production costs, in the event that prices and wages rise too rapidly.

### OVERSEAS TRADE

Returns of the United Kingdom's foreign trade for the first nine months of 1936 have just been released. They are again characterized by buoyancy in imports and relative lifelessness in exports. Compared with the January-September period of 1935, imports advanced by 12·7 per cent, while exports of British products rose by 2·6 per cent on a total of only about half that of imports. A summary of the totals of import and export and re-export trade during the period compared with the figures for the same months in 1935 is given below:—

	Jan.-Sept., 1936	Jan.-Sept., 1935	Increase	
			Value	Per Cent
Imports . . . . .	£608,007,618	£539,438,782	£68,568,836	12·7
Exports . . . . .	320,092,159	311,795,782	8,296,377	2·6
Re-exports . . . . .	45,532,791	40,554,092	4,978,699	12·2
Total exports . . . . .	365,624,950	352,349,874	13,275,076	3·7

The visible adverse balance of trade continues to grow at a faster rate than last year, and now amounts to £242,383,000 against £187,089,000, an advance of £55,300,000. No information is available as to the extent to which this apparent debit is counteracted by the United Kingdom's "invisible exports," but it is generally anticipated that this item is showing better results.

### IMPORTS

Part of the increase of £68,568,836 in imports is due to higher prices of foodstuffs and raw materials. It is questionable whether the various schemes of restriction and regulation have exercised any material effect upon the course of values. The main influence in the price advance has been more active consumption under the stimulus of the cheap money policy pursued by the Government, and other factors referred to earlier in this report.

Imports of "raw materials and articles mainly unmanufactured" rose more steeply than the other classifications, the total of £178,175,612 representing an advance of £27,009,667 or 17·8 per cent. Raw cotton, which went up by £9,046,553 in value, and by some 40 per cent in volume, was the biggest single contributor to this growth. Deliveries of raw wool were £5,776,693 greater than a year ago, mainly a reflection of higher values. Wood and timber increased by £4,666,025, hides and skins by £3,440,785 and iron ore and scrap by £2,780,976. Rubber was the only commodity to show a decline, the value of imports (£3,532,560) being £4,899,876 down as compared with 1935.

Articles "wholly or mainly manufactured" expanded by £21,469,001 or 16 per cent, imports under this heading reaching £155,898,356 during the first three quarters. Practically all divisions shared in this development. Requirements for armaments are responsible for the high level of imports of "non-ferrous metals and manufactures." These were valued at £23,842,814, or £3,991,623 more than last year. Mention has already been made of the urgent call for machinery, particularly machine tools. This is illustrated by a rise of 26 per

cent in imports, which at the end of nine months stood at the large total of £13,224,936. The same position applies to "iron and steel and manufactures," which amounted to £9,109,889 against £6,292,011 last year.

In the largest division, namely "food, drink and tobacco," total imports of which were valued at £270,195,766, the percentage increase was less striking, being only 7·6 per cent. The most marked advances took place in grain and flour, arrivals of which at £46,596,432 were 19 per cent greater than in the first nine months of 1935, and in dairy produce (£49,714,897) which were 16 per cent greater. Exceptionally a decline was recorded in imports of "fresh fruit and vegetables"; the total under this heading was £28,531,379—a 4 per cent reduction.

### EXPORTS

The aggregate nine months' exports of British products were recorded at a valuation of £320,092,159, an increase of £8,296,377.

In the "food, drink and tobacco" division, which amounted to £24,743,387, practically the whole of the advance of £2,864,311 was caused by heavier shipments of spirits to the United States. Exports of beverages, indeed, rose by £2,496,759 from £6,573,335 to £9,070,094.

In "raw materials" the overshadowing influence is the cessation of coal exports to Italy and Spain. This trade, which totalled £21,475,123, showed a loss of £2,059,600 on the nine months, and was chiefly responsible for the fall of £1,677,442 in the aggregate of raw materials shipped abroad. Raw wool exports fell by £851,177 on account of a diminution in German buying.

Exports of "articles wholly or mainly manufactured" went up from £242,835,776 to £249,629,591, or £6,793,815 in the January-September period. The chief contributors to this increase were woollens and worsteds (£1,493,339); machinery (£1,431,417); and vehicles (including locomotives, ships and aircraft) (£1,064,053). On the other hand, exports of non-ferrous metals and manufactures fell by £1,293,126.

The Board of Trade tabulation of imports, exports and re-exports under the major classifications is given below:—

TABLE OF IMPORTS, EXPORTS AND RE-EXPORTS ACCORDING TO THE BOARD OF TRADE CLASSIFICATION, DURING THE NINE MONTHS ENDED SEPTEMBER, 1935, AND 1936

#### (a) Imports

	Jan.-Sept., 1935	Jan.-Sept., 1936
Food, drink and tobacco . . . . .	£251,034,187	£270,195,766
Raw materials and articles mainly unmanufactured ..	151,165,945	178,175,612
Articles wholly or mainly manufactured . . . . .	134,429,355	155,898,356
Animals, not for food . . . . .	1,303,812	1,459,471
Parcel post . . . . .	1,505,483	2,278,413
Total . . . . .	£539,438,782	£608,007,618

#### (b) Exports of Produce and Manufactures of the United Kingdom

	Jan.-Sept., 1935	Jan.-Sept., 1936
Food, drink and tobacco . . . . .	£ 21,879,076	£ 24,743,387
Raw materials and articles mainly unmanufactured ..	38,761,381	37,083,939
Articles wholly or mainly manufactured . . . . .	242,835,776	249,629,591
Animals, not for food . . . . .	467,175	755,952
Parcel post . . . . .	7,852,374	7,879,290
Total . . . . .	£311,795,782	£320,092,159

#### (c) Exports of Foreign and Colonial Merchandise

	Jan.-Sept., 1935	Jan.-Sept., 1936
Food, drink and tobacco . . . . .	£ 9,368,542	£ 8,597,117
Raw materials and articles mainly unmanufactured ..	21,744,804	24,469,694
Articles wholly or mainly manufactured . . . . .	9,207,564	12,175,455
Animals not for food . . . . .	233,182	290,525
Total . . . . .	£ 40,554,092	£ 45,532,791

### Imports from Canada

The trade returns which are the subject of this review include a certain amount of information relative to sources of supply of the chief articles imported, and the destination of the leading exports, so that it is possible to give details in respect to the main lines imported from Canada.

*Wheat.*—During the nine months ended September total imports of wheat amounted to 73,706,904 cwts., a slight increase over the 72,358,263 cwts. in the parallel period of 1935. A noticeable feature is the practical withdrawal so far this year of Soviet Russia and the Argentina Republic from participation in this trade. Canadian supplies (42,633,116 cwts.) have been the dominating factor in the situation. This figure represents a 45 per cent increase over last year.

*Barley.*—There was a substantial advance in the quantity of barley taken by Britain. Total consignments amounted to 12,166,220 cwts., a rise of 26 per cent. Canada's shipments also went up by 26 per cent to 1,625,583 cwts.

*Oats.*—Britain's requirements in overseas oats experienced a severe shrinkage. The brunt of the loss fell upon Canada, practically the only supplier. Imports from the Dominion during the nine months were 1,474,112 cwts. against 2,205,603 cwts. last year.

*Rolled Oats.*—Upon the other hand, Canadian deliveries of rolled oats at 350,267 cwts. went up by more than 50 per cent.

*Flour.*—The Canadian flour trade with Britain is characterized by virtual equilibrium in so far as volume is concerned. During the nine months Canada shipped 2,987,984 cwts., practically the same as last year. Total business expanded slightly from 5,676,335 cwts. to 6,299,705 cwts.

*Cattle.*—The revival in Canadian cattle exports continues: 29,080 head were entered from the Dominion during the nine months. This is more than four times the number handled last year, although less than the 38,841 head shipped in the same period in 1934.

*Bacon.*—As is generally known, the United Kingdom Government's policy in relation to bacon supplies has resulted in an appreciable diminution of imports. Receipts from all sources amounted to 4,886,003 cwts., which is 399,262 cwts. less than last year. The decline was distributed over most producing nations, but Canada fortunately increased her shipments from 716,767 cwts. to 739,184 cwts. The value of this business to the Dominion for the nine months was £2,905,645.

*Cheese.*—The nine months witnessed better results for Canadian cheese—287,561 cwts. against 222,616 cwts. last year. Total imports were slightly smaller.

*Canned Salmon.*—Canada also made headway in canned salmon—79,590 cwts. compared with 56,167 cwts. in the first three quarters of 1935. There was a reduction in total supplies of 129,127 cwts. due to smaller supplies from the United States and Siberia.

*Lard.*—The extension in Canada's exports of lard to the United Kingdom has been very rapid. In the nine months' period in 1934, deliveries from the Dominion totalled only 11,012 cwts. In 1935 these had grown to 77,930 cwts., and this year to 184,701 cwts. A shortage in the United States is mainly responsible for this development.

*Tobacco.*—Total imports of stripped leaf tobacco fell by some 4,000,000 pounds to 25,121,016 pounds, but Canada's contribution went up from 488,006 pounds to 791,842 pounds. The general recovery is evinced in the item unstripped leaf tobacco, total imports being some 28 per cent up. The quantity attributed to the Dominion (7,351,791 pounds) exceeded last year's figure by about the same percentage.

*Non-ferrous Metals.*—Taking the whole range of non-ferrous metals, Canada has obviously benefited by the bigger requirements of British industry. In aluminium ingots, etc., Canada furnished 264,511 cwts., an increase of nearly 40 per cent. In electrolytic unwrought copper the Dominion shipped 69,237 tons, and the expansion was in about the same ratio. In copper rods and sections the Dominion secured orders to the extent of 219,113 cwts., nearly double last year's total.

*Lumber and Woodenware.*—The value of Great Britain's imports of sawn softwoods for the first nine months largely exceeds that of 1935. This year the United Kingdom has spent £15,202,364 on imported timber of this description, more than 25 per cent above last year's figure. Canada's shipments under this heading were valued at £2,599,045 against £1,905,762 a year ago.

The progress made by Canadian manufacturers of woodenware in the United Kingdom this year has been very creditable in view of the keenly competitive nature of the trade. The value of Canadian consignments was £867,343, more than double her contribution last year.

*Rubber Footwear.*—A noteworthy advance is also registered in Canada's share of the rubber boot market. Exports from the Dominion between January and September, 1935, numbered 55,330 dozen pairs. The corresponding figure in 1936 was 143,858 dozen pairs in a total of 152,598 dozen pairs. In tennis and other ankle shoes a general expansion in imports enabled the Dominion, and indeed all her competitors, to secure better returns.

*Leather.*—Although the total importation of box and willow calf at 36,162 cwts. shrank by 25 per cent, Canada sold over 75 per cent more. Her contribution (7,779 cwts.) compared favourably with that of the leading supplier, Germany (8,373 cwts.). A sharp fall from 14,458 cwts. to 8,935 cwts. occurred in total receipts of patent leather. Canadian imports fell in sympathy from 9,260 cwts. to 6,786 cwts.

*Newsprint.*—There was a further growth in the volume of Britain's purchases of newsprint in which Canada participated. In the nine months under review the quantity entered from the Dominion was 2,003,018 cwts., an advance of some 38 per cent in a total of 6,115,743 cwts.

*Cardboard and Millboard.*—There was a slight contraction in total imports under this heading, and consignments from Canada moved downwards by 17 per cent to 325,266 cwts.

*Imports of Certain Products, mainly Agricultural, into the United Kingdom During the Nine Months Ended September 30, 1935 and 1936*

	1935		1936	
	Quantity Cwts.	Value £	Quantity Cwts.	Value £
<b>Wheat—</b>				
Total imports.. . . .	72,358,263	20,961,914	73,706,904	25,926,837
Canada.. . . .	24,350,787	8,480,923	42,633,116	15,399,383
Argentina.. . . .	19,897,547	5,170,407	647,060	214,609
Australia.. . . .	12,517,275	3,645,333	18,314,345	6,507,775
United States.. . . .	593,022	161,035	.....	.....
Soviet Union.. . . .	1,840,197	551,740	167,306	55,771
<b>Barley—</b>				
Total imports.. . . .	9,618,801	2,438,193	12,166,220	3,133,589
Canada.. . . .	1,348,602	363,846	1,625,583	425,196
United States.. . . .	999,519	362,102	1,948,794	675,697
Argentina.. . . .	1,512,934	388,609	105,422	23,194
Soviet Union.. . . .	2,292,498	436,715	1,514,131	313,211
<b>Oats—</b>				
Total imports.. . . .	2,419,720	740,386	1,493,163	380,711
Canada.. . . .	2,205,603	668,503	1,474,112	374,466
<b>Wheat Meal and Flour—</b>				
Total imports.. . . .	5,676,335	2,214,633	6,299,705	2,758,819
Canada.. . . .	2,919,060	1,361,717	2,987,984	1,492,474
Australia.. . . .	1,280,575	460,047	1,865,050	765,636
United States.. . . .	64,141	35,323	52,910	33,303

*Imports of Certain Products, mainly Agricultural, into the United Kingdom  
During the Nine Months Ended September 30, 1935 and 1936—Continued*

	1935		1936	
	Quantity Cwts.	Value £	Quantity Cwts.	Value £
Oat Products (including groats and rolled oats)—				
Total imports.. . . .	229,473	271,347	350,681	408,403
Canada.. . . .	228,025	270,227	350,267	408,055
Foreign Countries.. . . .	945	806	397	322
Bacon—				
Total imports.. . . .	5,285,265	21,037,554	4,886,003	20,295,374
Canada.. . . .	716,767	2,746,359	739,184	2,905,645
Denmark.. . . .	2,932,522	12,292,404	2,583,927	11,427,677
Poland.. . . .	327,341	1,225,408	311,217	1,232,211
Netherlands.. . . .	393,218	1,614,601	368,789	1,559,722
Sweden.. . . .	195,958	777,524	184,545	772,634
Hams—				
Total imports.. . . .	522,868	2,367,301	517,090	2,304,419
Canada.. . . .	142,986	671,468	197,828	897,117
United States.. . . .	334,865	1,514,919	272,231	1,226,026
Cattle—	Number		Number	
Total imports.. . . .	390,700	2,985,572	492,072	4,180,770
Canada.. . . .	6,379	103,890	29,080	509,250
Irish Free State.. . . .	384,321	2,881,682	462,992	3,671,520
Cheese—	Cwts.		Cwts.	
Total imports.. . . .	2,038,915	4,762,260	1,904,318	5,346,347
Canada.. . . .	222,616	558,140	287,561	893,381
New Zealand.. . . .	1,447,083	3,311,829	1,339,032	3,691,095
Apples, Raw—				
Total imports.. . . .	4,288,287	4,603,391	4,122,610	4,337,834
Canada.. . . .	1,065,823	808,942	900,115	794,264
United States.. . . .	1,268,876	1,467,019	1,104,015	1,067,319
Australia.. . . .	1,527,895	1,791,514	1,636,994	1,873,632
Pears, Raw—				
Total imports.. . . .	962,047	1,265,705	872,398	1,152,850
Canada.. . . .	16,277	22,865	9,421	12,449
United States.. . . .	234,113	380,294	263,611	387,396
Australia.. . . .	225,351	307,995	240,623	318,990
Fish, Fresh or Frozen (not of British taking)—				
Total imports.. . . .	1,601,401	2,121,795	1,391,467	2,035,991
Canada.. . . .	60,867	218,339	54,818	203,570
Norway.. . . .	673,842	532,714	576,605	525,435
Denmark.. . . .	253,211	477,435	237,886	456,284
Irish Free State.. . . .	34,442	229,740	34,588	213,762
Canned Salmon—				
Total imports.. . . .	455,566	1,484,515	326,439	1,230,891
Canada.. . . .	56,167	238,641	79,590	337,049
United States.. . . .	240,749	800,891	152,135	602,154
Soviet Union.. . . .	88,103	215,312	1,422	3,391
Canned Lobster—				
Total imports.. . . .	22,258	275,156	15,997	219,171
Canada.. . . .	19,685	253,675	12,989	185,836
Tobacco, Unmanufactured, if Stripped—	Lbs.		Lbs.	
Total imports.. . . .	29,279,235	2,182,150	25,121,016	1,362,086
Canada.. . . .	488,006	30,959	791,842	48,728
Nyasaland.. . . .	1,854,053	72,939	3,068,525	128,729
Southern Rhodesia.. . . .	979,840	42,284	613,394	25,365
British India.. . . .	7,499,370	281,518	10,237,546	338,430
United States.. . . .	18,166,720	1,733,328	9,987,044	799,482
Tobacco, Unmanufactured, if Unstripped—				
Total imports.. . . .	99,066,133	6,399,865	128,499,189	7,643,089
Canada.. . . .	5,706,190	377,747	7,351,791	464,031
Nyasaland.. . . .	5,211,464	250,236	6,735,403	335,130
Southern Rhodesia.. . . .	10,209,014	428,572	10,171,861	433,824
British India.. . . .	2,153,036	79,737	626,110	23,234
United States.. . . .	72,639,009	5,059,085	98,735,947	6,095,280
Copper Ore—	Tons		Tons	
Total imports.. . . .	22,077	509,112	23,714	570,145
Canada.. . . .	15,087	426,300	14,525	447,844
Spain.. . . .	1,974	41,326	2,023	50,571
Copper, Electrolytic, Unwrought—				
Total imports.. . . .	117,957	3,958,437	117,070	4,770,861
Canada.. . . .	50,103	1,711,039	69,237	2,812,630
United States.. . . .	44,077	1,458,035	18,774	778,075
Australia.. . . .	1,710	59,702	2,651	106,218

*Imports of Certain Products, mainly Agricultural, into the United Kingdom  
During the Nine Months Ended September 30, 1935 and 1936—Continued*

	1935		1936	
	Quantity Tons	Value £	Quantity Tons	Value £
Pig Lead—				
Total imports.. . . . .	243,563	3,139,970	268,242	4,425,460
Canada.. . . . .	67,091	848,988	69,350	1,148,319
Australia.. . . . .	132,937	1,745,556	137,398	2,275,783
Zinc, Crude—				
Total imports.. . . . .	108,501	1,529,685	119,863	1,883,993
Canada.. . . . .	71,055	1,005,197	79,021	1,235,740
Australia.. . . . .	7,479	112,532	14,350	228,192
Leather, Dressed, Box and Willow Calf—	Cwts.		Cwts.	
Total imports.. . . . .	48,175	1,596,227	36,162	1,264,703
Canada.. . . . .	4,382	183,977	7,779	367,451
Germany.. . . . .	22,893	751,800	8,373	290,218
Netherlands.. . . . .	4,898	170,710	3,814	154,167
Hungary.. . . . .	5,345	168,988	4,138	139,054
Leather, Patent, Varnished, Japanned and Enamelled—				
Total imports.. . . . .	14,458	372,236	8,935	239,806
Canada.. . . . .	9,260	247,318	6,786	178,524
United States.. . . . .	3,355	81,358	1,007	30,265
Germany.. . . . .	1,158	28,454	338	12,002
Rubber Boots and Shoes—	Doz. Prs.		Doz. Prs.	
Total imports.. . . . .	62,199	158,312	152,598	355,843
Canada.. . . . .	55,330	139,634	143,858	334,182
If not made to cover the Ankle—				
Total imports.. . . . .	349,692	319,558	510,552	415,836
Canada.. . . . .	154,821	178,002	204,266	224,983
Hongkong.. . . . .	174,234	117,545	258,181	145,717
Newsprint in Rolls—	Cwts.		Cwts.	
Total imports.. . . . .	5,470,621	2,581,084	6,115,743	2,670,950
Canada.. . . . .	1,434,265	644,349	2,003,018	836,419
Newfoundland.. . . . .	2,439,165	1,262,141	2,441,138	1,148,408
Finland.. . . . .	1,020,895	422,709	1,119,907	463,350
Norway.. . . . .	417,822	181,800	251,615	107,138
Sweden.. . . . .	141,405	63,919	293,355	112,565
Cardboard and millboard (other than Wallboards)—				
Total imports.. . . . .	2,035,138	1,407,000	1,965,495	1,359,380
Canada.. . . . .	392,149	260,195	325,266	223,229
Germany.. . . . .	446,830	353,256	385,636	302,607
Sweden.. . . . .	448,816	320,870	438,576	322,066
Finland.. . . . .	425,224	217,895	469,495	242,611
Wood and Timber, Sawn, Hard, Not Planed or Dressed—				
Total imports.. . . . .	Thous. Cu. Ft.		Thous. Cu. Ft.	
Canada.. . . . .	15,032	1,961,689	15,929	2,087,620
United States.. . . . .	5,771	582,760	4,943	506,042
Poland.. . . . .	4,088	634,155	4,261	658,970
Poland.. . . . .	1,260	147,635	1,318	155,629
Wood and Timber, Sawn, Soft, not Planed or Dressed—				
Total imports.. . . . .	Loads		Standards	
Canada.. . . . .	3,835,838	12,157,114	1,392,495	15,202,364
Soviet Union.. . . . .	541,954	1,905,762	207,053	2,599,045
Finland.. . . . .	927,083	3,083,382	300,111	3,379,164
Sweden.. . . . .	1,124,022	3,186,373	399,875	3,931,281
Poland.. . . . .	460,509	1,372,647	194,536	1,922,107
United States.. . . . .	312,829	909,925	161,461	1,563,068
United States.. . . . .	95,073	628,226	40,186	902,314
Wooden Railway Sleepers of All Kinds*—				
Total imports.. . . . .	182,348	574,471	58,166	606,038
Canada.. . . . .	29,503	89,555	9,432	95,423
Soviet Union.. . . . .	46,371	121,115	13,084	115,733
Latvia.. . . . .	37,358	114,727	11,543	124,360
Poland.. . . . .	65,006	234,965	20,278	228,475
Pulp of Wood, Mechanical, Wet—	Tons		Tons	
Total imports.. . . . .	869,432	1,934,934	914,939	2,016,611
Canada.. . . . .	19,712	56,668	16,948	40,057
Sweden.. . . . .	268,184	599,470	271,994	614,512
Finland.. . . . .	299,246	635,845	327,217	698,415
Norway.. . . . .	278,287	634,844	288,958	643,875

\* Sleeper blocks were included in "Sawn soft, other than planed or dressed" prior to 1936.

*Imports of Certain Products, mainly Agricultural, into the United Kingdom  
During the Nine Months Ended September 30, 1935 and 1936—Concluded*

	1935		1936	
	Quantity Cwts.	Value £	Quantity Cwts.	Value £
Aluminium and Aluminium Alloys—				
Total imports.. . . .	224,482	979,501	341,994	1,580,184
Canada.. . . .	189,696	829,482	264,511	1,237,269
Switzerland.. . . .	31,576	135,936	62,910	280,798
Norway.. . . .	2,257	10,242	12,514	54,345
Manufactures of Wood and Timber—				
Total imports.. . . .		4,425,915		5,566,657
Canada.. . . .		421,742		867,343
Finland.. . . .		934,731		1,136,078
Soviet Union.. . . .		752,504		715,975

BRITISH EXPORTS TO CANADA

A summary is reproduced below of the main commodities entering into Britain's export trade to Canada, showing the total shipments and the proportion absorbed by the Canadian market. Quantities are not available in most instances, but the values quoted will afford an idea of the trend of affairs. Generally speaking, this trade has been fully maintained.

	1935		1936	
	Quantity Tons	Value £	Quantity Tons	Value £
Coal—				
Total exports . . . . .	29,065,441	23,534,723	25,419,948	21,475,123
Canada . . . . .	1,308,974	1,492,367	1,045,394	1,365,065
Pottery, glass, abrasives, etc.—				
Total exports . . . . .		6,107,221		6,365,275
Canada . . . . .		618,208		727,278
Iron and steel and manufactures thereof—				
Total exports . . . . .	1,697,168	26,361,940	1,613,427	26,143,792
Canada . . . . .	112,694	2,049,367	107,778	2,015,213
Non-ferrous metals and manufactures thereof—				
Total exports . . . . .		10,469,677		9,176,551
Canada . . . . .		260,137		277,997
Cutlery, hardware, implements and instruments—				
Total exports . . . . .		5,919,816		5,945,149
Canada . . . . .		259,651		263,081
Machinery—				
Total exports.. . . .	284,653	28,868,934	283,877	30,300,351
Canada . . . . .	4,160	598,864	5,799	749,088
Cotton manufactures (except apparel and embroidery)—				
Total exports.. . . .	Thous. Sq. Yds.		Thous. Sq. Yds.	
Canada . . . . .	1,481,712	29,888,325	1,414,572	29,550,234
Canada . . . . .	46,802	973,175	53,940	976,545
Woolen and worsted yarns and manufactures—				
Total exports.. . . .		22,874,211		24,367,550
Canada . . . . .		2,291,162		2,816,241
Linen and hemp manufactures: Piece-goods—				
Total exports.. . . .	59,941	3,214,564	66,220	3,669,632
Canada . . . . .	3,930	182,813	3,512	185,532
Silk yarns and manufactures—				
Total exports.. . . .		816,709		908,617
Canada . . . . .		32,209		34,636
Apparel—				
Total exports . . . . .		8,110,283		8,845,621
Canada . . . . .		414,260		528,027
Manufactures of other textile materials—				
Total exports.. . . .		11,677,610		12,686,362
Canada . . . . .		1,106,231		1,286,603
Chemicals, drugs, dyes and colours—				
Total exports . . . . .		15,518,736		15,427,686
Canada . . . . .		805,060		822,587
Leather and manufactures thereof—				
Total exports . . . . .		2,707,029		3,030,150
Canada . . . . .		192,954		188,263
Paper, cardboard, etc.—				
Total exports . . . . .		4,809,042		4,855,709
Canada . . . . .		173,012		187,251
Vehicles (including locomotives, ships and aircraft)—				
Total exports.. . . .		22,130,716		23,194,769
Canada . . . . .		322,658		342,884
Miscellaneous articles wholly or mainly manufactured—				
Total exports.. . . .		16,743,558		18,194,816
Canada . . . . .		805,297		838,325

## TRADE OF NEW ZEALAND, JANUARY TO JUNE

C. M. CROFT, CANADIAN TRADE COMMISSIONER

Auckland, September 23, 1936.—Statistics of New Zealand's trade for the first six months of 1936 show a satisfactory growth in both exports and imports. The statistics of exports show the declared values f.o.b. at the port of export, while the import values are the current values in the countries of origin, increased by 10 per cent, and expressed in terms of New Zealand currency. The commodity exports (excluding specie) for the six months ended June 30, 1936, were valued at £34,230,823 as against £27,109,241 for the corresponding period of 1935. The recorded value of imports (excluding specie) during the same periods were £19,860,452 for 1936 and £16,717,810 for 1935.

Thus the exports during the January-to-June period of 1936 exceeded those of the six months of the preceding year by some £7,121,582, while imports showed an expansion of £3,142,642. During the first half of 1936 the value of exports exceeded that of imports by £14,370,371 as compared with £10,391,431 for the corresponding six months of 1935.

### EXPORTS

It is of interest to observe that the value of exports to all of the prominent markets except Italy showed expansion; trade with Italy declined due to the imposition of sanctions. As is usual, the United Kingdom took a large proportion of New Zealand's exports, the value being £26,552,245 (£22,578,722 in the 1935 period). France occupied the position of second largest purchaser with £1,575,577 (£317,027), followed by the United States with £1,559,868 (£1,373,614), Japan with £1,141,654 (£314,631), Australia with £1,071,746 (£909,253), Canada with £714,894 (£390,266), and Belgium with £567,073 (£564,004).

The principal commodities exported by New Zealand may be roughly grouped into dairy produce, meat, wool, and hides and skins; other items of export are gold, flax, apples, milk, tallow, kauri gum, seeds, sausage casings, and lumber. During the six months under review increases in exports were recorded both in quantities and values in the case of cattle hides and calf skins, rabbit skins, wool, gold, flax (*Phormium tenax*), apples, and milk (dried or preserved). Decreases in both quantities and values were noted in beef, lamb and mutton, tallow, kauri gum, grass seed, and lumber, while decreased quantities but increased values were observed in butter, cheese, and sheepskins. Sausage casings were exported in greater quantities but the value was less.

### PRINCIPAL EXPORT ITEMS

The following are the values of some of the principal items of export for the first six months of 1936 (the corresponding values for 1935 being shown in parentheses): Butter, £7,134,315 (£5,961,406); cheese, £2,558,216 (£2,425,554); frozen beef, £549,585 (£550,574); frozen lamb, £5,657,470 (£6,199,178); frozen mutton, £962,341 (£1,165,484); cattle hides and calf skins, £299,401 (£224,066); rabbit skins, £181,927 (£14,307); sheep skins without wool, £793,841 (£589,707); wool, £10,849,727 (£5,187,362); tallow, £306,159 (£397,587); gold, £750,747 (£707,460); sausage casings, £454,780 (£546,230); apples, £545,896 (£462,013); and dried or preserved milk, £279,934 (£201,632).

### IMPORTS

The value of imports during the six months showed a considerable expansion as compared with the corresponding period of 1935, which in turn was the highest value recorded since 1930. The increase in purchases abroad follows on

a return to more prosperous times in New Zealand and a demand for better-quality merchandise. During the period of the depression price was a major consideration, but during recent months there has been evident to a marked degree a desire by the consumer for quality goods. A review of the statistics covering the imports of the thirty-eight principal items during the 1936 period as compared with the six months of 1935 shows that the increase in purchases was fairly general and the values were higher in respect to twenty-seven of the items and lower for the remaining eleven. The quantities of the imports were greater in all items except seven, namely, flour, sugar, whisky, tobacco, boots and shoes, corn sacks, and tires for motor vehicles.

#### PRINCIPAL IMPORT COMMODITIES

A review of the import statistics of all of the principal commodities is not necessary in this report and only those in which Canadian firms are or may likely be interested are mentioned in the following statistics showing the imports during the January-to-June period of the current year (with corresponding figures for 1935 in parentheses): Wheat, £51,429 (£7,066); flour, £91,707 (£96,292); whisky, £140,409 (£140,694); seeds, £58,061 (£46,046); hosiery, £92,970 (£97,986); apparel, £629,384 (£594,925); boots and shoes, £209,011 (£219,520); drapery, £130,317 (£123,347); carpets, £281,237 (£227,839); cotton piece-goods, £777,467 (£722,874); silk piece-goods, £440,120 (£423,420); iron and steel, bar, bolt, and rod, £176,069 (£134,695); hardware n.e.i., £342,747 (£238,646); electrical apparatus, £796,209 (£629,015); wireless apparatus, £221,452 (£164,204); sawn timber, £136,159 (£106,137); other timber, £44,314 (£97,781); newsprint, £200,609 (£144,575); other printing paper, £113,649 (£104,397); paper, other kinds, £316,164 (£282,496); motor vehicles, £2,254,819 (£1,517,188); and tires for motor vehicles, £316,259 (£340,864). Some of these commodities will be referred to in the section which follows relating to trade with Canada.

#### PRINCIPAL COUNTRIES OF ORIGIN

With respect to the countries of origin of the imports during the six months, the United Kingdom was the outstanding country with £9,658,226 (£8,238,135), followed by the United States with £2,567,556 (£2,012,424), Australia with £2,206,434 (£1,789,200), and Canada with £1,630,922 (£1,243,357). Among the other countries which shared to a large extent in the import trade were the Dutch East Indies, £602,006 (£766,752); Japan, £469,112 (£457,904); Ceylon, £382,137 (£312,982); Germany, £304,477 (£226,931); India, £291,121 (£340,282); Belgium, £261,851 (£128,919); Sweden, £141,737 (£125,469); France, £110,334 (£115,912); Netherlands, £88,016 (£70,105); Switzerland, £52,649 (£40,571); Fiji, £51,616 (£42,415); and Italy, £19,587 (£80,499). Thus it is seen that New Zealand increased her purchases from twelve of the sixteen countries mentioned.

#### TRADE WITH CANADA

Statistics have been made available by courtesy of the Comptroller of Customs showing details of the exports to and the imports from Canada during the first six months of 1936. It has been mentioned above that shipments to Canada were valued at £714,894; imports of Canadian origin were to the value of £1,630,922. These are to be compared with £39,266 and £1,243,357 respectively for the first six months of 1935. Thus the trade between the two Dominions has exhibited a satisfactory growth.

#### EXPORTS TO CANADA

Unfortunately details are not available of the exports to Canada during the first half of 1935, and therefore no comparison can be made with those for

the six months under review, nor can any definite statement be made of the extent to which individual commodities contributed to the expansion which has been noted. It may be pointed out, however, that the exports of wool to Canada during the calendar year 1935 were valued at £197,163, whereas the value for the first six months of 1936 was £478,835. Wool was the principal commodity exported during the period under review, comprised of greasy wool to the value of £273,337; scoured wool, £93,925; and slipe wool, £111,573. Sausage casings was an important item, the value being £110,628. Other commodities were calf skins, £26,877; cattle hides, £19,509; sheep skins with wool, £25,133; sheep skins without wool, £5,702; butter, £12,325; cheese, £1,488; fresh apples, £12,445; unprepared peas, £4,327; grass seeds, £4,306; and kauri gum, £3,608.

#### IMPORTS

The imports of Canadian origin during the first six months of 1936 were valued at £1,630,922 as against £1,243,357 for the relative period of 1935. Canada supplied 8·21 per cent of the total imports during the period under review as against 7·43 per cent for the six months of 1935. The principal increases occurred in motor cycles, chassis and parts; newsprint; silk and artificial silk piece-goods; hardware; electrical appliances; iron and steel pipes; wrapping paper; washing machines; general machinery; lumber; apparel; tools; nails and tacks; clocks; calcium carbide; and soap. Decreases are noted in lorries, trucks, vans, and buses; tires and tubes; flour; hosiery; leather footwear; fur skins; iron wire; insulators; storage batteries; and printing paper (not newsprint).

#### PRINCIPAL NEW ZEALAND PURCHASES FROM CANADA

In the following survey of the imports into New Zealand from Canada during the first six months of 1936 the values shown are those for 1936 purchases; those in parentheses are for the corresponding six months of 1935. A detailed analysis cannot be made as in many instances the total imports are not available, and in very few cases have the values of purchases from other countries been published for the period under review.

*Provisions of Animal Origin.*—1936, £52,965; 1935, £49,060.

Only two items are included under this heading, namely, tinned fish, £47,246 (£46,288); and provisions n.e.i., £5,719 (£2,548). Canada's trade in canned fish has been well maintained; it is of interest to observe that the total imports of all fish amounted to £77,782 (£78,365). Due to continued activities on the part of some New Zealand firms and their Canadian principals, the sales of "provisions n.e.i." have increased to a satisfactory degree.

*Provisions of Vegetable Origin.*—1936, £73,136; 1935, £78,253.

The decrease which is recorded here is due to smaller purchases of Canadian wheat and flour during the period under review. The importation of flour has been prohibited except under permit, and this accounts for decreased imports, valued at £55,582 (£62,740). Purchases of wheat have also dropped slightly to £4,481 (£5,906), but it is anticipated that when the trade for the year is published it will be found that the increased purchases of Canadian wheat since the end of June will largely compensate for the loss of the flour market. Imports of maizena and cornflour have dropped slightly, the value being £5,860 (£6,445); macaroni, vermicelli, and spaghetti is credited with £1,766 (£1,160). Salt to the value of £2,044 (£1,976) was imported, and a new item—concentrated jellies—appears to the value of £2,542.

*Beverages.*—1936, £1,625; 1935, £1,606.

The only item in this classification was chocolate.

*Animal Substances.*—1936, £6,163; 1935, £10,581.

Here again there was only one entry, namely, fur skins, green or sundried.

*Vegetable Substances.*—1936, £3,837; 1935, £2,321.

The increase which is seen here was due to imports of wood-pulp to the value of £1,564, whereas no imports took place in the 1935 period. The only other prominent item was grass seed: the 1936 statistics show imports of clover seed valued at £1,864; in the 1935 period no clover seed was imported but timothy seed accounted for £1,659.

*Apparel.*—1936, £124,364; 1935, £108,879.

The largest imports under this heading were those of rubber boots, valued at £50,646 (£48,161); details of the total imports are not available. Leather shoes showed a decreased

value of £3,884 (£7,100); rubber and canvas shoes accounted for £8,210 (£6,988); rubber heels, soles, and knobs for £8,985 (£10,018). Hosiery accounted for £31,233 (£25,126); the imports from Canada are almost entirely full-fashioned pure silk stockings. The total imports of all hosiery were valued at £92,970 (£97,986); thus Canada supplied 33·5 per cent of the total (25·7 per cent). Apparel, not enumerated, is credited with £11,245 (£5,789); minor articles of apparel accounted for a further £2,501. Felt hat hoods, unblocked, came to the value of £1,468 (nil); one importer has purchased a quantity of men's hat hoods for finishing locally, and it is understood that the results have been quite favourable.

*Textiles.*—1936, £49,268; 1935, £22,700.

The outstanding item here is silk and artificial silk piece-goods to the value of £41,690 (£13,994). A substantial industry has been developed in New Zealand for the manufacture of lingerie and underwear, the raw materials in the form of piece-goods being imported; Canada has shared in this trade in an increasing degree, but even so she is still a minor contributor as the total imports were valued at £440,120 (£423,420), the leading suppliers being the United Kingdom and Japan. Efforts have been made to find a market for silk piece-goods other than for the manufacture of underwear, but competition is very severe, particularly from Japan. Cotton, linen, and canvas piece-goods came to the value of £4,125 (£6,005), the imports being mainly cotton duck. The trade in floor coverings dropped to £894 (£1,399); the principal kind purchased was linoleum.

*Paints and Varnishes.*—1936, £1,043; 1935, £1,243.

There is no detailed classification given as to the kinds of paints and varnishes, but it is believed that the only imports were lacquers and special grades of paint and varnish; there are several manufacturers of paints and colours in New Zealand who supply most of the local requirements; some well-known English paints command a section of the trade.

*Metals and Metal Manufactures.*—1936, £150,482; 1935, £104,489.

There are many items included in this group, most of which came from Canada to an increased extent; there were also decreases, and this is seen in the case of wire, which was the principal sub-group. Fencing wire was valued at £11,013 (£13,887); and iron wire, other than fencing, at £22,085 (£27,507); other kinds of wire accounted for £2,028 (£920). Details of the imports of fencing wire from other countries are available and show total imports to the value of £114,139 (£110,872); a feature of the trade was the materially improved position of Australia with £25,777 (£18,160), and the United Kingdom shared to the extent of £73,224 (£68,115). Hardware n.e.i. showed a satisfactory expansion, the imports being valued at £32,433 (£8,945). Pipes, tubing, and fittings of iron and steel were valued at £27,859 (£19,449); those of copper amounted to £715 (£680), and of brass to £308 (nil). Canada's share of the imports of artificers' tools was well maintained, the purchases being valued at £14,863 (£10,661) out of the total imports of £134,044 (£110,034). Copper plate and sheet came to the value of £8,815 (£6,886); nails and tacks to £6,091 (£2,392); bolts and nuts to £5,016 (£4,482). Canada is credited with iron and steel, bar, bolt, and rod, to the value of £3,410 (£622), but this represented only a small percentage of the total imports of £176,069 (£134,695); Australia was the principal supplier with £119,589 (£88,092), and the United Kingdom was credited with £52,980 (£45,814). The imports of both electric meters, £5,428 (£4,229), and measuring instruments n.e.i., £3,547 (£366), have expanded considerably. Aluminium in sheets is a new entry in the half-yearly returns; the purchases were valued at £1,015.

*Machinery and Machines.*—1936, £107,738; 1935, £71,315.

Here again many commodities are included in this classification, many of which were imported from Canada to greater value in the 1936 period than was the case during the first six months of 1935. The outstanding sub-group was electrical machinery. Storage batteries and parts came from Canada to the value of £3,917 (£5,909); batteries and parts other than storage, £11,946 (£12,128); carbons for arc lamps, £289 (£983); electric motors, £9,015 (£3,176); electric ranges, £6,565 (£5,869); wireless receiving sets in cabinets, £1,856 (£3,723); other wireless apparatus, £2,466 (£2,774). The purchases of electrical apparatus not elsewhere included showed a substantial expansion, £25,455 (£4,910). The market for washing machines is developing, as is evident from the value of imports of £10,421 (£3,270). Purchases of agricultural machinery were valued at £8,473 (£9,113); calculating machines and cash registers at £4,941 (£6,281); dairy machinery at £3,302 (£971); plugs for oil engines at £6,523 (£5,262); metal-working machines at £1,743 (nil). The imports of Canadian vacuum cleaners were valued at £2,864 (£1,409); but the Canadian share of the market was relatively small as the total imports amounted to £47,734, the two outstanding sources being Sweden, £29,676; and the United Kingdom, £14,231. The imports of Canadian insulators and fittings therefor declined sharply, the 1936 value being £421 (£4,476). The principal user of the insulators of the type which Canada supplies is the Public Works Department; the extent of the imports depends on the requirements of that department.

*India-rubber and Manufactures.*—1936, £19,463; 1935, £17,669.

The two items specified in this group were belts and belting n.e.i., £12,396 (£9,861); and hose, tubing, and piping, £2,162 (£2,671); "other items" made up the balance of £4,905 (£5,137).

*Leather and Manufactures.*—1936, £3,636; 1935, £2,554.

The only entry in this class is that of leather n.e.i., including sole leather.

*Timber.*—1936, £22,291; 1935, £10,933.

The principal class of timber imported during the six months was rough-sawn Douglas fir, £14,491 (£9,452); other kinds of rough-sawn timber amounted to £5,326 (£371). Laths and shingles came to the extent of £1,532 (£991). While there has been a growth in this trade, it is still at a low level, due largely to the efforts which have been made to increase the use of local timber.

*Woodenware.*—1936, £4,984; 1935, £1,146.

There were three items specified under this heading, namely, furniture and cabinetware, £280 (£237); handles for tools, £266 (£208); and veneers and plywoods, £185 (£39). The rest of the imports were under the general item of woodenware n.e.i., £4,253 (£662).

*Earthenware.*—1936, £1,518; 1935, £2,020.

The imports under this classification were relatively unimportant and comprised lenses of all kinds, £729 (£557); plaster of Paris, £404 (£836); plate glass, £353 (£211); and glass bottles, £32 (£416).

*Paper.*—1936, £251,293; 1935, £200,273.

The outstanding item here was newsprint, which came to the value of £190,479 (£138,070), the total imports of which were valued at £200,609 (£144,575). It is thus seen that Canada's share of the trade was well maintained at about 95 per cent. Printing paper other than newsprint showed a decline to £3,444 (£11,346); wrapping paper amounted to £23,694 (£16,233); cardboard, pasteboard, and similar boards (including insulating board and fibre board) to £15,628 (£16,315); and paperhangings to £9,326 (£9,526).

*Stationery.*—1936, £4,838; 1935, £3,341.

There were only two items of importance under the general heading of stationery; these were manufactured and general stationery valued at £2,984 (£1,747) and printed books valued at £1,176 (£1,307).

*Fancy Goods, Jewellery.*—1936, £13,091; 1935, £7,241.

There was an increase in all items included under this heading, the greatest being observed in clocks, which came to the value of £7,828 (£4,193). Purchases of watches also increased and were valued at £2,776 (£1,712), while fancy goods accounted for £1,413 (£1,336). The only other item was that of sporting, gaming, and athletic requisites, n.e.i., to the value of £1,074 (nil).

*Optical, Surgical, and Scientific Apparatus.*—1936, £3,536; 1935, £3,333.

There were only two items included here, namely, photographic materials, £1,871 (£1,366); and surgeons', opticians', and dentists' appliances, £1,665 (£1,967).

*Drugs and Druggists' Wares.*—1936, £14,776; 1935, £4,311.

The increase which is noted under this classification was largely due to greater purchases of calcium carbide, the value being £6,012 (£566); Canada has greatly increased her share of the market for this commodity, the total imports of which were valued at £7,189 (£6,546). Sodium chlorate also exhibited a substantial increase, the value of the six months' imports being £4,735 (£1,552). Medicinal preparations and druggists' sundries accounted for £1,860 (£1,008), and perfumery and toilet preparations for £665 (£1,185). Two new entries in the trade returns for the period under review were chloroform, £846; and acetic acid, £658.

*Vehicles.*—1936, £694,467; 1935, £512,309.

This group is by far the outstanding one, in point of value, of Canada's exports to New Zealand. The largest individual item was that of passenger vehicles, other than completely knocked down, to the value of £504,905; knocked-down vehicles other than buses were valued at £1,281; chassis for passenger vehicles, completely knocked down (other than buses), at £255. The imports of passenger vehicles, other than buses, from Canada during the first six months of 1935 were valued at £277,841. Lorries, trucks, vans, and buses and chassis therefor, completely knocked down, were valued at £58,123 (£87,092); lorries, trucks, vans, and buses, and chassis therefor, other than completely knocked down, at £4,585 (£706). The total imports of passenger motor cars, including chassis, of all kinds, were valued at £1,809,332 (£1,277,558), of which the United Kingdom is credited with £916,143 (£658,430); Canada, £506,378 (£277,960); and the United States, £386,811 (£341,168). Parts of motor vehicles, including parts of oil engines for motor vehicles, came from Canada to the value of £9,959 (£7,266). The trade in rubber tires and tubes for motor vehicles was an important one and was to the value of £113,209 (£137,712). Canada lost ground slightly in the case of motor tires and tubes as the total imports were valued at £317,529 (as against £340,864); thus Canada supplied 35.6 per cent of the 1936 imports (40.4 per cent in 1935).

*Miscellaneous.*—1936, £25,307; 1935, £27,720.

The largest item specified in this group was soap to the value of £4,350 (£134); this trade is spasmodic, as is indicated by the fact that the imports during the first six months of 1934

were valued at £4,232. Brushes, brushware, and brooms amounted to £2,789 (£2,445). Roofing materials showed some expansion, the value of the trade being £1,562 (£610). There were other items of import, namely, adhesives, £449 (nil); articles for the manufacture of goods in New Zealand, £604 (£215); brake linings in the piece, £275 (nil); carpet sweepers and floor polishers, £1,240 (nil); engine packing, £412 (nil); and stoppers for bottles, £479 (nil). The remainder of the imports were included under the heading of "other items," £13,147 (£24,316).

### SUMMARY

The foregoing comments will indicate that Canadian exports to New Zealand have expanded at a satisfactory rate during the six months under review, the position having been improved with respect to the percentage of total imports. The increased purchases by New Zealand give rise to the hope that this market will be increasingly important to Canada.

Further details of the imports into New Zealand from Canada and of the exports to Canada during the first six months of 1936 are available at the Department of Trade and Commerce, Ottawa, and may be obtained by interested Canadian organizations on application to the Department of Trade and Commerce, Ottawa (quoting file No. 18806).

### TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in Canada in the interest of Canadian trade with their respective territories: Mr. G. B. Johnson, Glasgow; Mr. Frederick Palmer, Bristol (whose territory includes the West of England, South Wales, and South Midlands); and Mr. R. P. Bower, who was Acting Trade Commissioner at Batavia, Java.

Their itineraries are as follows:—

#### Mr. Johnson

Toronto and district..	Nov. 9 to 18	Guelph ..	Dec. 5
Hamilton and district ..	Nov. 19 and 20	Brampton ..	Dec. 5
Brantford, Simcoe. . .	Nov. 21	Montreal and district. .	Dec. 7 to 22
St. Catharines. . . .	Nov. 23	Granby ..	Dec. 23
Niagara Falls, Fort Erie.	Nov. 24	Quebec, Thetford Mines.	Jan. 6
London, Woodstock ..	Nov. 25 and 26	Fredericton and District.	Jan. 8
Windsor and district. .	Nov. 27 and 28	St. John. . . . .	Jan. 9 to 12
Stratford and district ..	Nov. 30 and Dec. 1	Bridgetown. . . . .	Jan. 13
Kitchener and district ..	Dec. 2 to 4	Halifax, Sunnybrae ..	Jan. 14 and 15

#### Mr. Palmer

Calgary ..	Nov. 9	Ottawa ..	Nov. 27
Vancouver, New Westminster ..	Nov. 11 to 18	Fredericton ..	Nov. 30
Victoria and district. .	Nov. 19 and 20	St. John. . . . .	Dec. 1 and 2
Edmonton ..	Nov. 23	Yarmouth ..	Dec. 3
Saskatoon ..	Nov. 24	Bridgetown and Kentville	Dec. 4 and 5
Winnipeg ..	Nov. 25	Halifax ..	Dec. 7

#### Mr. Bower

Calgary ..	Nov. 12	Vancouver. . . . .	Nov. 16 to 28
Kelowna, Vernon. . .	Nov. 14	Victoria. . . . .	Dec. 1

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Winnipeg, Edmonton, Vancouver, and Victoria, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## THE INDIAN MARKET: POINTS FOR EXPORTERS

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

### III. Importer and Retailer, Representation, and Credit Terms

#### THE IMPORTER

Previous sections of this report have dealt principally with the consumer and the peculiar marketing conditions in India for the type of merchandise mentioned.

The problem which now confronts the manufacturer or exporter is how to place his goods on the market, through whom, terms, territory, packing and marking, trade-marks, selling methods and propaganda—in other words, all that goes with successful merchandising.

In India the importer may be a wholesaler operating much the same as in Canada—stocking merchandise in large lots for resale to small merchants who do not import direct, or perhaps it may be a large departmental store or some other retail organization whose purchases of imported products are so extensive that they import direct. Then again it may be an individual consumer whose requirement makes it advantageous to buy direct from the manufacturer or exporter, but whether the importer be any one of those mentioned the first object of the exporter is to sell them.

There are two generally accepted methods—both with their advantages and disadvantages—that is, direct or through agents.

#### CLASSES OF IMPORTERS

##### THE WHOLESALER

The wholesaler is most likely to be an Indian who is responsible for importing the merchandise into the country. He should not be judged by outward appearances, personal or as to premises which may appear an unimportant retail store in an unpretentious district (in which they are mostly all located)—particularly in Calcutta, which may be taken as a fair example of all India. But nearby he most likely maintains a large warehouse fully stocked with tooth paste, tooth brushes, patent medicines, toilet articles, soaps, and similar sundry requisites.

The wholesalers sell the small bazaar shops in the large cities their week-to-week or even daily requirements, in addition to which they supply similar shops in the mofussil or interior, from whom orders are received perhaps weekly. These orders may be small or large, depending upon the up-country consumers' requirements of imported articles. A typical order to the Calcutta wholesaler may be for a dozen bars of soap, quarter dozen packets of breakfast food, a dozen pairs of silk stockings, etc. The dealer in the interior will perhaps be a long-standing customer of the wholesaler, and should the latter not happen to have in stock all his customer's requirements he will not hesitate to purchase them from another wholesaler in order to complete the order and retain his customer's goodwill.

##### THE RETAILER

Next in the scheme is the large retailer who imports direct like department stores, specialty shops, or even some of the large bazaar shops owned by Indians, who only on rare occasions purchase from the regular wholesaler. A retail bazaar shop which to-day may be purchasing from the local wholesaler, may overnight expand to the extent that it endeavours to go around the wholesaler and order direct from the factory or exporter in order to obtain all advantages possible in the way of discounts and like concessions.

## THE LARGE CONSUMER

Third in line and by far from unimportant is the consumer who imports direct such as hotels, restaurants, clubs, chain theatres, and estates.

A most important member in this category, and undoubtedly the most reliable and by far the largest importer of the products referred to in this report, is the "Canteen Contractors Syndicate" with headquarters at Karachi. This organization purchases in large lots on behalf of its members, the regimental canteen contractors scattered throughout India. The canteens have a ready-made market and are consequently an important sales outlet. This important organization and its methods of operation have been described in detail in former reports. (See *Commercial Intelligence Journal* Nos. 1437, of August 15, 1931; and 1501, of November 5, 1932.)

## SELLING DIRECT

It is sometimes found advantageous not to appoint an agent, by whom is meant a manufacturers' representative who carries no stocks but simply books orders on behalf of his principal for shipment direct to the buyer.

## DIRECT REPRESENTATION

Under these conditions the manufacturer and/or exporter in Canada must send representatives to India to make connections and arrangements with wholesalers and distributors, or it may perhaps be possible to complete negotiations by mail. There will be no agent between the exporter and the importer, and it is usual to select one wholesaler (importer) in each large centre serving a particular area who is given the exclusive distribution of the product and who is expected to place orders direct with the factory. To effect a connection of this type, the inducements offered are that the wholesaler will be given the benefit of any commissions in the way of discounts which would be paid an agent were one employed, and that he, the wholesaler, has the exclusive rights to distribution in a given territory.

While the above method has certain advantages it also carries with it many disadvantages. Where the wholesaler is appointed an exclusive distributor of a particular commodity, he is likely to feature it and the exporter will be relieved of commissions payable were an agent employed; but when a line is confined to one wholesaler distribution is inclined to be largely confined to those retail outlets which are regular customers of the wholesaler as the wholesale trade is highly competitive and one wholesaler is not likely to urge or even suggest that his customers (the retailers) stock a commodity for which his competitor next door is the exclusive distributor. It may be, however, that the manufacturer has so popularized his brand by advertising and other ways that all wholesalers are forced to buy from the exclusive distributor in order to supply that particular article to their customers or the latter may revert to the distributor for their requirements. In the case of lines new to India it is sometimes good policy to confine it to one importer who will be inclined to make an effort to popularize it, thus providing a wide display for it through the retail shops of his customers.

## PROTECTING THE EXPORTER'S INTERESTS

One of the drawbacks to the method under discussion is that there is no one in India to protect the interests of the exporter—if the Trade Commissioner, for the sake of the discussion, is excluded. At the time of forming the connection the wholesaler may have been in an excellent position as regards finance and customers; but in a country like India, where anything may happen overnight, it is most desirable that there be some one on the spot to watch and guide developments in the interests of the exporter.

It is possible that the wholesaler may fall behind in his payments, or for a hundred-and-one reasons—all of which, if necessary, the Indian importer can advance—he may refuse to take up the shipment. These are occasions on which the exporter may suffer by not having an agent on the spot who can bring pressure to bear and who is likely to have more effect than correspondence from the exporter in Canada.

Also, in the event of an absolute refusal to take up the goods, the agent is usually in a position to resell them without grievous loss, provided of course they are not damaged. The general experience seems to indicate that the best methods of selling products as dealt with in this report are not direct to a wholesaler through correspondence or an occasional visit of a representative but rather through the services of a resident agent.

#### SELLING THROUGH AGENTS

An agent does not, if he acts solely as agent, carry stocks but is actually an employee of the exporter, receiving his remuneration in the way of commissions usually based on the factory price of the goods, payable at periodical intervals or as arranged, and only on shipments which have been actually paid for by the importer.

The agent must be furnished with catalogues, samples, and prices, preferably c.i.f. & c. (cost, insurance, freight, and commission) main Indian ports—i.e., Karachi, Bombay, Madras, Calcutta, and Rangoon—and is expected to take orders from importers subject to the acceptance of the factory or exporter. The merchandise is shipped direct to the importer, upon whom the drafts are drawn and sent to the bank for collection with all other necessary documents, leaving the agent no further connection with the transaction other than to receive his commission unless some difficulty should present itself to cause him to intervene to protect his principal's interests.

#### "DEL CREDERE" AGENTS

The foregoing deals with what may be termed the ordinary type of agent, but there is another and much more preferable one who exercises more control over the merchandise, gives the exporter more protection, and goes so far as to guarantee payment (*del credere*), or even makes payment for the goods in advance in Canada or elsewhere, but expects certain additional remuneration over and above a commission on sales in the way of a discount. These are usually old and well-established firms with headquarters in London, New York, Montreal, Toronto, or Vancouver. Canadian firms are not so far advanced as those of London and New York who maintain their own branches and European personnel throughout India. The branch office takes the order subject to the approval of the head office, which forwards it to the factory. The factory ships the merchandise to India but draws on the head office wherever located, who make payment as agreed upon, leaving the agent responsible for collecting from the importer, there being no recourse on the drawer of the original draft.

#### THE AGENT

In appointing an agent close investigation should be made as to his ability and as to whether he is in a position to adequately cover the market. It may be considered desirable to confine the line through the agent to one wholesaler in each principal city or to leave the line open to all buyers, but whatever the policy, the agent's standing should be thoroughly investigated before making an appointment.

Besides European agents—by which is meant British, French, German, Dutch, American, Australian, or Canadian—there are native Indian agents. It is sometimes wise to choose between the nationality of the agent—that is European or Indian—depending upon the market it is desired to foster. Where products are sold through European-controlled department stores or specialty shops,

an Indian agent may find it difficult to secure an entree, and while it may be true that an Indian agent is better received among Indian wholesalers, yet many of them like to have a European agent call upon them.

If the agent is not a *del credere* agent, then so much does not depend upon his financial worth as his moral integrity and that he can be depended upon to select those accounts which are likely to prove first-class and otherwise look after the best interests of his principal.

#### DIVISION OF TERRITORY

This is a highly important matter and one which often presents a problem to the manufacturer or exporter. The principal distributing centres of India are Karachi, Bombay, Madras, Calcutta, Lahore, Delhi, and Rangoon, so that if agents are maintained in each of these cities the market is thoroughly covered. The agents in these cities may be independent, or it may be a firm with head office in Calcutta or Bombay maintaining branches in the other centres. On the other hand, the organization may have no branches but maintains a staff of European and native salesmen or travellers who are constantly visiting the important buying centres throughout the country; but it would appear most desirable to maintain agents in Bombay, Calcutta, Madras, Karachi, Lahore, and Rangoon operating independently or as a firm maintaining branches in those cities.

An advantage is obtained when one firm or an agent controls all India. Because of the shape of the country it so happens that many of the interior cities and towns are almost equidistant from Karachi, Bombay, or Calcutta from which the buyers in the interior make their purchases, depending upon which one offers the best prices, so that it happens sometimes that there is rivalry between importers (wholesalers) in (say) Calcutta and Bombay for the business of some retailer in Agra or Benares. The manufacturer should accordingly be careful that importers in all the centres are on an equal footing as regards prices, discounts, and other terms. Where separate agents are maintained they often compete with one another by offering inside discounts which come off their commission, or secure in some manner better terms from the manufacturer.

Where independent agents are appointed, it is suggested that the Bombay agent's territory cover the Bombay Presidency, Sind, Northwest Provinces, the Central Provinces, and Southern India if no agent is appointed in Madras who would naturally cover that area. The Calcutta agent's territory would suggest itself as Bengal, Bihar, Orissa, the Punjab, and possibly Assam and Rangoon, whereas an agent in the latter city would be almost exclusively confined to Burma with Rangoon as practically the only market.

#### CREDIT TERMS

Much of the business in the type of merchandise dealt with in this report is done on terms of 60 days documents against payment, and in some cases where the account is of the highest standing documents against acceptance. Due to liberal terms which Continental exporters have extended to importers, frequently longer credits—90 to 120 days—are extended—and the native Indian importer is not slow in demanding such terms—but the generally accepted are for payment within 60 days from date of invoice, though it is becoming more prevalent for the importer to demand 60 days from date of arrival of the goods as more frequently than not goods from Canada take much longer than that to arrive at ports in India. In the case of D/P terms the documents covering the merchandise are not delivered until the draft has been paid.

#### CREDIT REPORTS

Where the manufacturer sells through a *del credere* agent, his credit department is concerned only with the status of the agent, but when an ordinary agent

is employed the manufacturer must carefully investigate the credit of the importers through his agent and exercise extreme caution in accepting orders even on D/P terms. It is here that an agent shows his value.

It is extremely difficult, if not almost impossible, to obtain satisfactory credit reports or references on many importers. There are no established organizations as in Canada furnishing the details they do, and about the only source of information are the banks, which are naturally very non-committal and guarded in any statements made or opinions expressed. There are also the peculiar laws and rights surrounding Hindu and Mahomedan families which further tend to complicate the situation, so that while the individual member of a family who is in business for himself may not have a large capital, he may perhaps have equity in a large fortune which enables him to secure accommodation when required. Should he default to the exporter, however, the latter could not sue him hoping to obtain settlement from the funds which he, the importer, might realize as his share in the joint fortune of the family.

The Canadian exporter who takes the credit risk when selling through an agent in India has therefore every right to expect that agent to furnish with each order credit references and all possible information concerning the importer, but, as stated, this is not always possible. At the same time the agent may know the importer to be honest, reliable, and possessed of reasonable finances and good for D/P or even D/A terms; but the importer does not keep his money in a bank or transact his business in a manner which allows of its investigation, so that it becomes impossible to furnish those facts and figures in tabular form that a manufacturer's credit department so frequently demands. These conditions often prove a stumbling block to the development of business, and it would be futile to ask the importer to establish a letter of credit or even pay cash against documents.

The situation in which the exporter finds himself when shipping merchandise thousands of miles from the factory to buyers he has never seen, who do not speak his language, whose whole outlook on life is different, is fully appreciated, but if he wishes to develop the markets of India and has not a *del credere* agent, he must largely depend upon the judgment and tact of his agent rather than on formal credit reports.

Therefore the necessity of carefully selecting an agent of good judgment and high integrity, whose intimate knowledge of the peoples and of the trade he has to deal with is beyond question, is perhaps the most important factor in establishing and maintaining sales in the markets of India.

## SHIPBUILDING IN GERMANY

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Hamburg, October 17, 1936.—Germany's shipbuilding industry has experienced a considerable boom during the past two years. Prior to the war the industry had been an active and prosperous one, second only in importance to that of Great Britain. The result of the subsequent general recession in Germany's industrial activity and foreign trade was a great decline in construction and delivery for both home and foreign account, but with active governmental assistance and a renewal in overseas demand, the business has again assumed important proportions.

### THE INDUSTRY

The principal centres of the German shipbuilding industry are Hamburg, Bremen, Kiel, Cuxhaven, and Bremerhaven. It is recorded in the German Year Book that, as at June 16, 1933, there were 373 shipyards throughout the country, but the great majority of these must be presumed, of course, to be of small capacity only.

Whereas during 1934 the tonnage launched at all German shipyards amounted to no more than 72,059, the following year witnessed a large increase in output, launchings numbering 78 as against 50 and the tonnage total increasing to 226,343. A still further increase will be shown for the current year, vessels launched up to September 30 having totalled 285,578 tons, while tonnage put into construction during the same period, part of which will be launched before its end, has amounted to no less than 421,630. These totals, while considerably less than those of British yards, are still much larger than those of Japan, Denmark, Sweden, and other shipbuilding countries.

The trend towards construction for foreign account is clearly shown by figures of deliveries during the years 1934 and 1935. During the former period the total tonnage delivered by shipyards to owners was 34,613, of which 25,882 were for German account and 8,731 for foreign buyers. In 1935, on the other hand, the total was 208,593, divided into 118,587 tons for German and 90,006 for foreign account. Construction for foreign owners is thus seen to have been almost as large as for German shipping firms.

It is also of interest to note the large proportion of motor ships put out from local yards. Whereas recent construction in the United Kingdom, for example, has been principally of steamers, with motor ships making up some 40 per cent of the total, German output has been concerned largely with motor-driven vessels, this type having accounted for 174,535 tons out of a launched tonnage during the first half of 1936 of 285,578.

#### CURRENT SITUATION

The German Government, in its desire to re-establish the country's position as a mercantile nation, has, it is understood, granted subsidies to shipbuilders during the past three years amounting to from R.M.15,000,000 to R.M.25,000,000 (Can.\$6,000,000 to \$10,000,000 at current rates) for expenditure on construction and repairs. It has, at the same time, offered practical and direct assistance to the shipyards in the form of numerous contracts for the building of naval and naval auxiliary vessels. Of almost equal importance has been the construction of new tonnage for foreign firms who have utilized this means of liquidating blocked credits in Germany. This practice, it may be said, has not been as common as has occasionally been supposed but, in the case of several British and Scandinavian concerns in particular, has enabled a valuable release of otherwise useless funds, while, from the point of view of local shipyards, it has permitted a maintenance of production on a profitable basis. The vessels procured in this manner have, in general, been utilized by the overseas firms whose credits in Germany had been rendered unobtainable through foreign exchange transfer restrictions, but there have also been instances of such credits being converted into vessels which have then been sold in the open market. The latter transactions cannot be presumed to have been normally profitable, but have at least enabled a transfer of monetary holdings which would otherwise have been impossible. The visible losses thus sustained have frequently, however, been compensated by abnormal profits on the sale of imported goods in a market where stocks have been at minimum levels over a considerable period of time.

#### FOREIGN TRADE IN VESSELS

While it cannot be expected that, under the current international exchange situation, there will be a normal export of vessels from Germany to other countries, owing to the high cost of the mark, a maintenance by the German Government of existing exchange restrictions will no doubt encourage certain trade of this type. It is reported that various German yards have sufficient orders now on hand to occupy them fully for at least two years, and a portion of this construction is assumed to be for foreign account. Such exports, in fact, in which labour costs form a large proportion of the total, are those with which current German trade policy is especially concerned and to the encouragement of which the Government is providing all possible assistance.

## WHEAT AND FLOUR TRADE REGULATION IN EUROPEAN COUNTRIES

J. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

### XIV. Sweden<sup>1</sup>

#### Wheat

Oslo, October 10, 1936.—Imports of wheat into Sweden are subject to customs duties, milling taxes, mixing regulations, and an import licensing system. All these restrictions are incident to the grain control system which has been evolved over a period of years for the protection and support of Swedish grain growers.

#### CUSTOMS DUTIES

Import duties on wheat were first introduced in 1888, and in 1895 the duty was fixed at kr.3·70 per 100 kilos, which amounts to about 26·25 cents per bushel in Canadian currency. This duty has been maintained ever since that date, with the exception of the war years when trade in wheat was free, and during the period from 1920 to 1922 when a sliding scale of duties was in force.

In 1926 a modification was introduced. Swedish exporters of wheat were issued certificates of export, stating the amount of wheat they had shipped out of the country. The presentation of these certificates to the Customs entitled the shipper to import a like quantity of foreign wheat duty free, or to receive in cash an amount in proportion to the corresponding duties. The effective duty on wheat, however, remains kr.3·70 per 100 kilos, or about 26·25 cents per bushel.

#### MILLING TAXES

Foreign wheat milled in Sweden and used for the production of flour or groats is subject to a milling tax of kr.2·50 per 100 kilos net weight, which amounts to about 17·75 cents per bushel in Canadian currency. This tax, which is also applicable to domestic wheat, was brought into force on September 1, 1935, and at the same time the previous import tax of kr.5 per 100 kilos, levied in addition to the customs duty, was abolished. The milling tax is collected by the Government Agricultural Committee, and the proceeds are used to defray expenses incident to the grain control system.

#### MILLING REGULATIONS

On June 13, 1930, the Swedish Government passed what is known as the Milling Resolution. This resolution (No. 249) came into force on September 1, 1930, and provided that all wheat and rye used in the production of flour must include a certain percentage of Swedish wheat and rye. This percentage, known as the "milling percentage," has been fixed periodically by decree, and at present stands at 90 for wheat and 98 for rye. This means that of the total amount of wheat consumed by any given mill, 90 per cent must be of domestic origin, and only 10 per cent may be of foreign origin. In the case of rye, the percentages are 98 and 2 respectively.

It is provided, however, that while the total amount of wheat used must conform to the milling percentage, any given quantity ground may include a smaller percentage of domestic wheat. This smaller percentage is fixed by decree from time to time and is known as the "minimum percentage." At present it stands at 80 for wheat; there is no "minimum percentage" for rye.

<sup>1</sup> Previous reports on this subject were published as follows: United Kingdom (No. 1695); Switzerland (No. 1697); Netherlands, Germany and Czechoslovakia (No. 1698); Irish Free State and Portugal (No. 1699); Belgium (No. 1700); Italy (No. 1701); Denmark and Finland (No. 1703), Norway (No. 1705); and France (No. 1706).

The basic resolution states that these percentages must be fixed for each milling period in such a way that Swedish wheat or rye suitable for breadmaking may be consumed within the year. There is provision, however, for a certain elasticity in this regard. The resolution also provides that the milling percentage shall not be so high as to prevent the production of average good-quality bread.

Hereunder are given the milling percentages which have been fixed from time to time since September 1, 1930:—

Year	Milling Period	Milling Percentage for Wheat	Minimum Percentage for Wheat
1930	Sept. 1-Oct. 31 .....	60	40
	Nov. 1-Dec. 31 .....	75	50
1931	Jan. 1-Feb. 28 .....	80	55
	March 1-July 31 .....	85	60
	Aug. 1-Sept. 30 .....	80	55
	Oct. 1-Nov. 30 .....	70	55
	Dec. 1-Dec. 31 .....	60	50
1932	Jan. 1-May 31 .....	60	50
	June 1-June 30 .....	50	45
	July 1-Aug. 31 .....	60	50
	Sept. 1-Sept. 16 .....	80	60
	Sept. 17-Oct. 15 .....	85	65
	Oct. 16-Dec. 31 .....	90	70
1933	Jan. 1-May 31 .....	95	80
	June 1-Dec. 31 .....	98	80
1934	Jan. 1-April 30 .....	98	80
	May 1-June 30 .....	100	80
	July 1-Dec. 31 .....	100	85
1935	Jan. 1-Aug. 31 .....	100	85
	Sept. 1-Dec. 31 .....	90	80
1936	Jan. 1-Aug. 31 .....	90	80
	Sept. 1-Oct. 31 .....	90	80

The regulations outlined above comprise the most important protective measures in the Swedish grain control system. The milling percentages have tended to increase since the regulations came into force, which reflects the increase in the production of domestic bread grains.

#### IMPORT LICENSING SYSTEM

The importation of wheat (also rye or mixtures of grain containing wheat or rye, flour of wheat or rye, or wheaten groats) into Sweden was formerly regulated by the Swedish Government, acting in co-operation with a group of flour mills known as the Swedish Grain Association. Under contract with the Government, the association had the monopoly for the importation of grain and flour, with the power to delegate its functions to individual millers and importers. In practice, the mills did the actual buying of foreign wheat and importers bought the foreign flour when import was possible, but the transactions were controlled by the association.

This arrangement was terminated on September 1, 1935, and was superseded by the present import licensing system. A licensing body, known as the Government Board of Agriculture, was established, to which all importers must now apply for import permits. These are granted freely when the board is satisfied that the milling regulations are being complied with, but the board has the power to withhold licences at any time.

#### Flour

Restrictions on flour imports are more onerous than restrictions on wheat imports. The duty on flour is kr.6.50 or about \$1.69 per bag of 100 kilos. There is also an import tax of kr.4 or about \$1.04 per 100 kilos. The proceeds of the tax are utilized to defray the expenses of the grain control system.

Decree No. 249 of June 13, 1930, provides that any person who imports wheat flour into Sweden must, while the flour is still in the custody of the customs authorities, cause flour of Swedish wheat to be mixed therewith so that the

Swedish flour shall correspond, on the average, to the milling percentages in force, and not be less than the prescribed minimum percentage in respect to any part of the consignment. The terms "milling percentage" and "minimum percentage" have been explained in the section of this report dealing with wheat. As applied to flour, the minimum percentage is available for imports over short periods or for special lots, but in such cases importers must take correspondingly less foreign flour for other lots, so that the average corresponds to the milling percentage in force for the milling period.

The import licensing system described is applicable to flour as well as to wheat. All these restrictions have reduced flour imports to negligible quantities. Last year total imports amounted to only 107 metric tons, and in the previous year only 153 metric tons were imported. In 1928, before the milling regulations came into force, Swedish flour imports amounted to over 19,000 metric tons.

### GRAIN CONTROL SYSTEM

The Swedish grain control system was revised in 1935, and from September 1 of that year a new system came into operation. The Swedish Grain Association was dissolved and their contract with the Government was cancelled. At the same time a new organization, known as the Swedish Grain Company, was formed to take over the functions of the Swedish Grain Association. This new organization is a joint-stock company with a capitalization of 10,000,000 kronor (\$2,600,000). All the shares except five are held by the Government, and the board of directors are appointed by the Government. The activities of the company are controlled partly by Government regulations and partly by short-term contracts between the Government and the company. The contract presently in force is dated September 1, 1936, and expires on August 31, 1937.

Under the present contract the company agrees to store for the account of the Government up to 100,000 metric tons of bread grain of good milling quality as an emergency stock. The company also agrees to purchase and sell domestic bread grains on suitable occasions and at prices fixed in such a way that the cost of bread to consumers is not unduly enhanced.

Purchases and sales of domestic grains by the company are subject to the quality requirements and price-regulating scales for different qualities of grain, which are issued by the Government Agricultural Committee. Without permission from the Government the company is not allowed to sell Swedish wheat or rye at prices lower than the market price at the time of sale.

The activities of the company must be limited in such a way that stocks of grain held by the company will not exceed 100,000 tons over and above the emergency stock.

In order to defray expenses incurred in connection with these activities, the company are entitled to receive an annual subsidy, the amount of which is fixed each year.

### PREVIOUS SYSTEM

The grain-control system outlined above differs in some important particulars from the previous system which was in force from September, 1930, to September, 1935. Under the previous system the Swedish Grain Association were bound by contract to buy all the good-quality domestic wheat and rye offered for sale between June 1 and July 31 at prices fixed by the Government. Also, the association possessed an import monopoly for bread grains and flour. The present organization has no import monopoly, and a system of protective purchases has replaced the fixed price system.

### WHEAT CULTIVATION

Undoubtedly the grain-control system has been of very great benefit to the grain-growing community in Sweden, and this is particularly true of the wheat

farmers. The wheat crop last year amounted to 23,561,853 bushels, which is over three times as large as the average yield for the years 1909-13 inclusive. There are indications, however, that wheat cultivation in Sweden has now reached its peak. The area under wheat last year amounted to 673,965 acres as compared with 717,692 acres in 1934 and 748,105 acres in 1933.

To what extent this can be considered as reflecting a real tendency towards a reduced wheat cultivation is difficult to judge at the present time. It is certain, however, that since the grain-control system was introduced the Government have found it necessary to dispose of surplus stocks, partly by denaturing the grain and partly by exporting large quantities. These operations to date have involved the Government in a financial loss estimated at 80,000,000 kronor (\$20,800,000).

#### DOMESTIC WHEAT PRICES

It is impracticable to calculate the financial assistance given to wheat growers by the Swedish Government and express this in terms so much per bushel. However, an examination of domestic wheat prices discloses that, since the control system came into force, prices have ranged from \$1.10 to \$1.42 per bushel, and at all times the domestic price was well above world prices.

The following table shows the prices which have been fixed for domestic wheat since the grain regulations were introduced:—

Crop Year	Year of Purchase per June 1	Dollar per Bushel
1930 . . . . .	1931	1.42
1931 . . . . .	1932	1.31
1932 . . . . .	1933	1.35
1933 . . . . .	1934	1.35
1934 . . . . .	1935	1.35
1935 . . . . .	1936	1.17
1936 . . . . .	1937	1.21

Prices are given in Canadian currency.

The price \$1.21 against year of purchase 1937 is the price which has been fixed for summer wheat for delivery June 1 next. Autumn wheat was purchased in September at \$1.10 per bushel.

### NETHERLANDS FLOUR-MILLING INDUSTRY

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One kilo equals 2·2 pounds; one metric ton equals 2,205 pounds; one florin equals at par \$0·402 Can.)

Rotterdam, October 7, 1936.—The Central Bureau of Statistics at The Hague has recently published a report on the Netherlands milling industry in the year 1935. In *Commercial Intelligence Journal* No. 1697 (August 8), reference was made to preliminary figures on the same subject which had previously been published.

#### CRISIS MEASURES

The summary in question first of all mentions the various crisis measures to which the milling industry is subject, and goes on to say that for the greatest part these remained unchanged during the period under review. It is only necessary to state that on September 4, 1935, the monopoly tax on imported wheat was increased from fl.1·50 to fl.2 per 100 kilos, while the levy on the so-called "wheat flour B," which is milled entirely from foreign wheat, was raised from fl.6·75 to fl.7. The minimum quantity of domestic wheat which must be used for "wheat flour A" remained unaltered at 35 per cent. The price paid by millers for this inland wheat continued at fl.15·70 per 100 kilos, and the levy on "wheat flour B" when milled in Holland at fl.5 per 100 kilos.

Since then, as a result of the commercial agreement with the United States, the monopoly duty on flour was reduced on February 3, 1936, to fl.6·25 per 100 kilos.

These measures were to assist in the absorption of the 30,000 tons of flour which was the quantity the Netherlands agreed to purchase by virtue of this treaty. Concurrently the levy on home-milled "flour B" was lowered to fl.4·25 and the quantity which domestic mills could grind was restricted. On March 24, 1936, both the above levies were again reduced to fl.6 and fl.4 respectively, and on August 4, 1936, to fl.5·50 and fl.3·50.

RATIONALIZATION OF INDUSTRY

The rationalization agreement which was reached between all the large mills in 1934 remained in force during the period. Whereas there were only nineteen establishments included in the survey of 1934, there were twenty in 1935. The quantity of wheat milled showed an appreciable increase in conformity with the steady upward trend of the last ten years, which has been accelerated since 1931 by restrictions on flour imports. The quantity of wheat flour ground also was greater than in any other period.

The subjoined table capitulates the activities of the Netherlands milling industry from 1921 to 1935. In computing these figures small mills grinding less than 2,000 tons of bread grain per year can be disregarded:—

Year	Number of Enterprises	Quantity of Wheat Ground 1,000 Tons	Quantity of Rye Ground 1,000 Tons	Flour Production		Strength of Personnel Sept. 15
				Domestic Consumption 1,000 Tons	Export 1,000 Tons	
1921-25 average.	23	592	46	407	39.0	2,160
1926 . . . . .	19	585	36	429	7.0	1,910
1927 . . . . .	20	565	38	418	0.4	1,850
1928 . . . . .	23	581	41	427	0.2	1,950
1929 . . . . .	19	630	34	460	2.0	1,920
1930 . . . . .	18	650	37	472	1.7	1,960
1931 . . . . .	19	667	48	506	0.8	1,910
1932 . . . . .	18	796	43	599	0.1	1,960
1933 . . . . .	16	754	53	555	...	1,940
1934 . . . . .	19	793	42	609	0.1	1,830
1935 . . . . .	20	817	41	858	0.4	1,910

FLOUR PRODUCTION AND CONSUMPTION

The quantity of wheat flour available for consumption from 1926 to 1935 in quantities of 1,000 tons is as follows:—

	Average											
	1921-25	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	
Domestic production .. . . .	407	429	418	427	462	472	506	599	555	609	623	
Net imports .. . . .	111	136	158	170	116	154	111	29	45	39	42	
Total consumption .. . . .	518	565	576	597	578	626	617	628	600	648	665	

The above figures are secured by combining domestic production and imports. The former does not embody the output of the small mills which grind principally whole wheat flour.

The change in the number of enterprises shown in the statistics is due to an increase in production by several which in 1934 ground less than 2,000 tons of grain, but which in 1935 exceeded this capacity and are therefore classed as "large mills." As against this, two mills were closed down before the beginning of 1935.

### PRODUCTION OF THE SMALL MILLS

Supplementary information which is procurable from the Crisis Bureau administering the Wheat Law enables an additional insight to be obtained into the domestic use of wheat flour. The Government office charged with the execution of the Agricultural Crisis Law states that the small mills which are not included in the production statistics used collectively in 1935 about 19,000 tons of inland wheat in comparison with 14,000 tons in 1934. Taking into consideration the mixing percentage, their total wheat consumption was therefore approximately 54,000 tons in comparison with 41,000 tons in 1934, with an approximate corresponding production of flour based on, say, an 80 per cent yield.

### FLOUR IMPORTS

The director of the Central Flour Office has informed the Central Bureau of Statistics that the importation of wheat flour intended for human consumption and for the starch-manufacturing industries totalled 31,819 tons in 1935 against 23,218 tons in the preceding period.

### TOTAL FLOUR CONSUMPTION

With the help of these figures it is possible to arrive at a fairly accurate estimate of the actual flour consumption. This is reached by totalling the output of the large mills, the production of the small mills, and the imports; which altogether in 1935 amounted to 719,000 tons against 689,000 tons the year before. These figures do not include the flour milled for the manufacture of cattle feed. For human consumption, including the manufacture of starches, the highest figure that can be reached is 709,000 tons in comparison with 673,000 tons the year before. These ciphers represent the previous totals minus flour imported for feeding purposes.

### SOURCES OF RAW MATERIAL

As has already been noted, existing legislation which has been in effect since 1931 requires Dutch millers to use a certain proportion of home-grown wheat which they have to purchase at a fixed price. At the present time the quantity requirements are 35 per cent. As a result the production of wheat in the Netherlands has increased greatly, as the appended table showing the origin and value of the wheat used for milling from 1930 to 1935 indicates:—

Year	Grown in the Netherlands	Grown in Europe In Thousands of Metric Tons	Grown elsewhere	Total Wheat Milled	Total Value Wheat Fl.1,000
1930. . . . .	25,107	27,361	597,063	649,531	64,661
1931. . . . .	71,114	8,035	587,586	666,735	45,828
1932. . . . .	176,602	19,118	600,301	796,021	58,698
1933. . . . .	241,658	14,867	497,687	754,212	61,600
1934. . . . .	274,514	7,311	510,729	792,554	67,899
1935. . . . .	298,526	22,178	496,114	816,818	72,014

As specified in the foregoing, European wheat-producing countries are of comparatively minor importance as shippers of bread wheat to the Netherlands, although there is at present a tendency to force their increased participation. This can be done by means of clearing and compensation agreements which force its substitution for wheat bought overseas. Among the overseas countries supplying import wheat in 1935, the Argentine furnished well over 50 per cent and Canada about 20 per cent.

## PROPRIETARY MEDICINES IN THE MEXICAN MARKET

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Mexico City, October 19, 1936.—As is more or less general throughout Latin America, an important market for patent and proprietary medicines exists in Mexico. Not only are the majority of the people inclined to put great reliance on them, but the majority of medical men in Mexico show a preference for the use of these remedies to an unusual extent, judged by North American practice. One reason for this attitude—apart from the knowledge that their patients put great faith in them—is that in many proprietaries there is the certainty that the particular medicaments required are present and in the necessary quantities.

### SOURCES OF SUPPLY

Imports of patent and proprietary medicines are not separately classified as such. In the statistics covering the period January to September, 1934—the most recent available—capsules, pills, etc., valued at \$539,000, and drugs and pharmaceutical specialties n.o.p. to the value of \$280,000, were brought in.

The majority of patent and proprietary medicines are products of France (about 40 per cent) and Germany (about 30 per cent). Switzerland, the United States, Austria, Hungary, Great Britain, and the home industry together make up the bulk of the balance of the large Mexican consumption. French laboratories, either through their own brands or those made locally, more or less control the market. This latter method is becoming more widespread, for in a number of cases local representatives have become manufacturers of the particular French remedies which they are selling. By such means, with a Mexican depreciated currency, low-priced French medicines can be widely distributed. During recent years some United States manufacturers have increased and are increasing their business in a similar way.

### METHODS OF SALE

Foreign firms after appointment of agents make provision for the distribution of a supply of samples and literature among doctors. If medical men are convinced of the efficacy of a particular product they issue prescriptions for it; in that way only will drug stores stock the medicine. To develop this demand agents call upon doctors with literature and samples in order to keep the products before them and thus increase the number of prescriptions issued for the particular remedy. It is a peculiarity of the market that only a small proportion of the sales of proprietary medicines are made as a result of newspaper advertising; and the delivery of handbills—a method employed in some Latin American countries, particularly Cuba, with excellent sales results—is considered quite useless in Mexico. Medical men in this country will not prescribe medicines advertised, with the result that practically no good foreign scientific medicine is advertised except those for headaches and certain tonics which do not call for prescriptions.

### FALSIFICATION AND IMITATION OF FOREIGN MEDICINES

Unfortunately, with the publication of formulae on labels required by law, there are a number of firms operating in Mexico which copy these formulae. Consequently many foreign manufacturers have been forced to various methods of concealing the names of the important substances in their products by use of some other names in the formula appearing on the container. This appears to be the only means of combating the copying of formulae.

## REGULATIONS AND TARIFFS

All proprietary medicines can be sold in Mexico only after being approved by the Department of Public Health. Samples for chemical analysis, formulae, and all printed matter must be submitted with the application. Usually competent agents already well introduced in the trade are able to have this work done expeditiously, but those beginning this business for the first time are under a handicap. There is a very broad tariff range on patent and proprietary medicines, depending on the particular article and its contents. A ruling from the Department of Finance is required in each case as to its particular tariff classification.

## MARKETING

There are six or seven high-grade wholesale drug houses in the republic which in turn sell to retail drug stores. In addition, there are a number of first-rate retail druggists to whom some firms sell direct. Accordingly agents must be able to quote two prices, with a 20 per cent spread between the wholesalers and retailers.

## THREE METHODS OF WORKING THE MARKET

There are three methods of working the Mexican market, namely:—

(1) The maintenance by large manufacturers abroad of a local factory where the medicines are made up from the original formulae in addition to importing certain products from the parent company which are not made locally. A number of leading English, French, Swiss, German, Austrian, and United States manufacturers have branches in Mexico, while an associate company of a well-known Canadian manufacturer which originally established the Mexican company has been successfully carrying on a drug-manufacturing business in the republic for some ten years.

(2) The giving of the rights of manufacture by the manufacturer to the local representative, either on a royalty basis or by maintaining some interest in the local company.

(3) By selling medicines to the local representative on either fixed or open account. The former is the more usual method. The factory usually sends the first order on consignment, with a liberal quantity of samples, to be followed some months later with a subsequent order on the basis mentioned. This applies only when the manufacturer sends sufficient samples to keep the doctors interested and, at the same time, some of the chemists. All cost of propaganda is met by the manufacturer, including part of the cost of maintaining the contact with the doctors by employees of the agent.

## SPECIAL PECULIARITIES OF THE MARKET

As has been indicated, patent and proprietary medicines sell readily in Mexico. The view taken, not only by medical men but also by the buying public, is that foreign medicines are better than locally manufactured ones. During the past year or two both doctors and laymen appear to have been convinced that medicines which can be injected either intra-veinously or subcutaneously are superior to those in tablet or liquid form, taken internally. This belief is sufficiently strong to force most foreign firms to put up as many medicines as possible to be taken in that way. Where this method is not practicable, tablets are used and are considered the next most important method of preparation to attract interest.

Several Canadian manufacturers of patent and proprietary medicines are at present fairly well introduced into this market. Canadian exporters desirous of extending their trade to include Mexico are recommended to communicate with the office of the Canadian Trade Commissioner in Mexico City for specific details regarding marketing possibilities for any particular type of medicine which they may wish to sell in this market.

## BRAZILIAN MARKET FOR ASBESTOS

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, October 1, 1936.—Although Brazil has large deposits of asbestos within its borders, it is of very low quality, the fibres being very short and weak. Further, it is rarely found in pure state, being usually mixed with talc, kaolin, and iron oxide. Practically, its only use is for cheap insulating material when mixed with binders and also for the manufacture of tiles.

Despite the fact that Brazilian deposits of asbestos are so poor, there is little or no importation of raw asbestos or asbestos fibres. This is mainly because of the high duty levied against these products. The duty on raw asbestos under the most favourable tariff is 6.006 milreis (\$0.33) per kilo; that on asbestos fibres is 8.404 milreis (\$0.46) per kilo, the latter duty being the highest levied against any asbestos products, with the exception of asbestos clothing, especially prepared asbestos for crucibles and unclassified wares when combined with rubber, talc, etc.

During 1935 the total imports of raw asbestos were only 31 tons valued at approximately \$4,000. The United States (\$1,985), Germany (\$1,310), and Great Britain (\$623) were the chief sources of supply. It is obvious therefore that Brazil must import the greater percentage of her requirements of asbestos manufactures. Statistically these imports are grouped in three classes: manufactures of asbestos n.o.p., pipes and tubes of asbestos and, thirdly, asbestos tiles.

### MANUFACTURES OF ASBESTOS, N.O.P.

The following are the imports by principal countries of origin for asbestos manufactures, n.o.p., during 1935:—

Country of Origin	Kilos	Milreis	Dollars
Total . . . . .	611,562	3,320,321	192,529
Germany . . . . .	160,770	637,466	36,973
Argentina . . . . .	187	9,995	579
United States . . . . .	118,901	1,596,112	92,574
France . . . . .	1,182	14,514	841
Great Britain . . . . .	196,482	753,717	43,715
Holland . . . . .	3,398	24,118	1,398
Italy . . . . .	1,641	23,118	1,340
Canada . . . . .	4,608	52,758	3,059
Czechoslovakia . . . . .	2,795	31,937	1,851
Uruguay . . . . .	7,374	9,587	556
Belgium . . . . .	114,209	165,601	9,604

Local dealers estimate the following annual values of imports for certain of the more important single items coming in under this classification: brake lining, 500,000 milreis (\$29,000); packing and sheets, 1,000,000 milreis (\$58,000); asbestos blocks, cement, and general insulating material, 400,000 milreis (\$23,200); corrugated or plain sheets, 300,000 milreis (\$17,400).

### TUBES AND PIPES

In 1935 there was a falling off in the imports of asbestos tubes and pipes from a total of 1,130,146 kilos valued at 668,665 milreis (\$47,475) in 1934 to 528,969 kilos valued at 419,526 milreis (\$24,322) in 1935. Practically the whole of the imports in 1935 came from Great Britain.

### TILES

Brazilian imports of asbestos tiles during 1935 amounted to 198,233 kilos valued at 149,847 milreis or approximately \$8,689 as against 150,571 kilos valued at 96,250 milreis (\$6,833) in 1934. Belgium is the chief source of supply, followed by Germany, the United States, Great Britain, and Yugoslavia.

## PRICE SITUATION

Low prices from Belgium render competition very difficult. That country enjoys practically the whole market for high-pressure packing, which is in greatest demand, retailing at 17 milreis (\$0.93). This also applies to corrugated sheets, the c.i.f. prices of which are 3.69 belgas per sheet of 6 feet by 3 feet 3 inches by  $\frac{1}{4}$  inch.

The United States is the most important supplier of asbestos blocks. These are sold retail at 10 milreis (\$0.55) per block, measuring 36 inches by 6 inches by 1 inch.

Three types of cement are imported, namely, long fibre, short fibre, and magnesia. These are imported largely from the United States and the sale is confined to one company which has been operating in Brazil for many years. Retail prices are quoted as being 4 milreis (\$0.22) per kilo for long fibre cement, 3.5 milreis (\$0.19) per kilo for short fibre cement, and 5.5 milreis (\$0.30) per kilo for magnesia cement.

## COMMODITY MARKETS OF BRAZIL IN 1935

L. S. GLASS, CANADIAN TRADE COMMISSIONER

(Conversion into dollars has been made at the average rates for 1934 and 1935 of, respectively, 7.1 cents and 5.76 cents to the milreis; values are c.i.f. Brazil)

Rio de Janeiro, September 26, 1936.—In this report an endeavour has been made, with the aid of individual items in the Brazilian import trade, to show the trend of imports in 1935 with particular reference to commodities in which Canadian firms have had or may have an interest in selling to Brazil.

## AGRICULTURAL MACHINERY

Agricultural machinery imported into Brazil is subdivided into the following classifications: agricultural implements and machinery general; seeding machines; ploughs, plough shares, plough parts, etc.; tractors and threshing machines.

Non-specified agricultural implements imports increased in value from \$247,279 to \$292,621. Germany (\$146,000) supplanted the United States as the most important supplier, and was followed by Great Britain (\$82,000) and the United States (\$63,000).

Seeding machine imports decreased from \$8,164 to \$7,101, principally (\$5,474) from the United States, followed by Germany and Argentina.

Plough shares and plough parts increased from \$208,940 to \$276,787. The United States occupied first position (\$153,145 in 1934 and \$184,000 in 1935), followed by Germany (\$46,672 and \$76,000), Great Britain (\$10,517 and \$6,100), and Italy.

Tractor imports increased from \$185,000 in 1934 to \$317,000 in 1935: United States (\$169,000 and \$260,000), Great Britain (\$4,221 and \$26,600), Germany \$57 and \$9,007). Smaller amounts were imported from Argentina, Uruguay, and Sweden.

Threshing machine imports decreased from \$229,500 to \$32,026, practically all of which were imported from the United States (\$206,851 and \$31,900).

Canadian statistics indicate agricultural machinery and parts exported to a total value of \$4,400.

## ALUMINIUM

Imports of raw aluminium increased from \$290,881 in 1934 to \$518,699 in 1935. Germany supplanted Switzerland in first place in 1935 (\$76,511 and \$182,000), and was followed by Canada (\$18,610 and \$93,000), Switzerland (\$123,332

and \$78,500), Belgium (\$1,848 and \$69,490), United States, \$3,599 and \$35,000), Norway (\$61,015 and \$24,500), and Great Britain (\$4,366 and \$13,690).

Manufactures of aluminium increased also from \$11,426 in 1934 to \$34,967 in 1935: Germany (\$3,278 and \$13,200), United States (\$4,058 and \$8,220), Great Britain (\$1,010 and \$4,400), and Canada (nil and \$3,300).

#### CEMENT

Cement imports decreased from a total of 125,000 tons (\$1,091,000) in 1934 to 114,000 tons (\$1,008,000) in 1935, despite the fact that consumption increased greatly. Of the sixteen countries exporting to Brazil in 1934, Germany, Belgium, and Holland show increases; Yugoslavia entered the market for the first time (\$6,200). Germany was the most important supplier (\$110,581 in 1934 and \$540,000 in 1935), followed by Great Britain (\$289,000 and \$145,000), Belgium (\$123,000 and \$134,000), Holland (\$49,000 and \$58,000), Denmark (\$118,000 and \$50,000), and the United States (\$62,000 and \$26,000).

Brazil produced 324,000 tons of cement in 1934 as against 565,000 tons in 1935.

#### CHEESE

Cheese imports have decreased from 160,448 kilos (\$117,346) in 1934 to 150,796 kilos (\$106,705) in 1935.

Brazil has a well-developed local industry producing a variety of mild cheeses. As a result imports are largely confined to the stronger types of continental cheeses.

Italy was the most important supplier (\$85,500 in 1934 and \$83,000 in 1935), followed by Switzerland (\$9,700 and \$7,450), France (\$2,840 and \$3,740), and Portugal (\$4,200 and \$3,400). Smaller amounts were imported from Great Britain, Holland, Germany, and Sweden.

#### PRESERVED MILK

Imports of preserved milk have decreased from 113,000 kilos (\$104,000) in 1934 to 74,000 kilos (\$71,700) in 1935. Germany continued to occupy first place (\$49,000 and \$36,000), followed by the United States (\$40,000 and \$23,500), Holland (nil and \$6,900), Great Britain (\$9,664 and \$2,600), Canada (nil and \$725).

#### COAL AND COKE

Coal imports increased from 1,079,000 metric tons (\$5,892,000) to 1,315,000 tons (\$8,016,000): Great Britain (\$3,847,000 in 1934 and \$4,000,000 in 1935), Holland (\$10,727 and \$1,720,000), Germany (\$387,000 and \$1,320,000), United States (\$481,000 and \$392,000), and Turkey (nil and \$390,000).

Brazilian production of coal amounted to 708,000 tons in 1934 and 757,000 tons in 1935.

Coke imports increased from 28,000 tons (\$238,000) to 44,000 tons (\$388,000): Germany (\$114,000 in 1934 and \$275,000 in 1935). Great Britain (\$103,000 and \$86,000), Holland (\$14,000 and \$27,500).

#### COPPER

Copper plates and sheets (\$531,000 in 1934 and \$2,027,000 in 1935) were imported from the United States (\$4,177 and \$680,000), Germany (\$132,000 and \$679,000), Canada (nil and \$389,000), Great Britain (\$365,000 and \$183,000), and Belgium (\$26,000 and \$68,000), with smaller amounts from France, Holland, Japan, Sweden, and Austria.

Copper tubes and pipes imports increased from \$166,000 in 1934 to \$224,000 in 1935: Germany (\$40,000 and \$166,000), United States (\$10,000 and \$29,000),

Great Britain (\$91,000 and \$23,000), Belgium (\$4,900 and \$4,500), and France (\$16,000 and \$4,000).

Copper wire imports decreased from \$44,000 in 1934 to \$40,000 in 1935: Germany (\$25,000 and \$27,000), Great Britain (\$8,300 and \$3,300), Japan (nil and \$4,500), Belgium (\$6,000 and \$2,200), United States (\$2,400 and \$1,900).

Insulated copper wire imports, however, increased from \$68,000 to \$133,000: United States (\$35,000 and \$51,600), Germany (\$18,500 and \$40,000), Belgium (\$18,800 and \$10,600), Great Britain (\$7,700 and \$10,600), Sweden (\$4,700 and \$5,200), Canada (nil and \$174). Other suppliers were Holland, Italy, Japan, Switzerland, Denmark, and France.

#### CORDAGE

Cordage imports in 1935 amounted to \$18,649 (\$14,667 in 1934), of which Great Britain supplied to the value of \$11,046 and the United States \$6,974.

#### COTTON MANUFACTURES

Imports of cotton goods decreased in value from \$1,611,000 in 1934 to \$473,000 in 1935, roughly by two-thirds: Great Britain (\$582,000 and \$180,000), Germany (\$239,000 and \$116,000), United States (\$190,000 and \$62,000) and Switzerland (\$163,000 and \$26,000).

#### FISH

Imports of canned sardines have decreased from 696,800 kilos to 544,800 kilos, although the dollar value has increased slightly, from \$202,000 to \$203,000: Portugal (\$178,000 in 1934 and \$159,000 in 1935), Spain (\$21,000 and \$42,000), United States (\$1,100 and \$1,300).

Codfish imports continue to decrease in both amount and value. In 1934 there were imported 18,793,000 kilos valued at \$2,606,000 as against 17,157,000 kilos valued at \$2,412,000 in 1935.

Newfoundland, credited in 1934 with 9,601,000 kilos valued at \$1,189,000, continues to dominate the market, having shipped 10,308,000 kilos valued at \$1,150,000 in 1935. The United Kingdom occupied second place, having shipped in 1934, \$5,577,000 kilos valued at \$839,000 as against 3,840,000 kilos valued at \$600,000 in 1935, followed by Norway with 3,012,000 kilos valued at \$488,000 and 1,682,000 kilos valued at \$245,000. It is highly probable that the amounts credited to Canada (\$14,788 and \$7,400) are not inclusive, but that part of the totals in those credited to the United States (\$30,600 in 1934 and \$61,000 in 1935) are really of Canadian origin. Iceland is a newcomer on the Brazilian market and with an excellent pack and low prices sales to the value of \$104,000 were made.

Under other preserved fish and fish extracts, which include canned and frozen salmon, anchovies, smoked herrings, pickled fish of various varieties, fish oils, etc., imports were valued at \$148,000 in 1934 as against \$141,000 in 1935: Spain (\$61,000 and \$55,000), Japan (\$22,000 and \$31,000), Portugal (\$14,000 and \$17,000), Great Britain (\$16,000 and \$11,000), Holland (\$15,000 and \$10,000), and the United States (\$4,652 and \$5,600).

Canadian figures indicate exports in calendar year 1935 as follows: codfish, 9,372; haddock, \$4,696; pollock and hake, \$22,019; other fish, \$17,322.

#### WHEAT FLOUR

Wheat flour imports declined from 98,654,000 kilos valued at \$3,557,000 in 1934 to 45,463,000 kilos valued at \$1,852,000 in 1935. This decrease has been due to the continued growth of the national mills, reflected in the increased imports of wheat.

Argentina is the most important supplier of wheat flour, having shipped in 1934, 68,816,000 kilos valued at \$2,215,000 as against 34,630,000 kilos valued

at \$1,240,000 in 1935, followed by the United States (16,483,000 kilos valued at \$804,000 and 6,832,000 kilos valued at \$387,000), Uruguay (12,500,000 kilos valued at \$509,000 as against 3,746,000 kilos valued at \$116,000). For the first time in some years, Canada is credited for flour shipments to Brazil—95,000 kilos valued at \$6,100. Japan was also a newcomer, to the value of \$1,325.

#### ELECTRIC GOODS

Imports of electric goods for household use are largely confined to electric irons, refrigerators, and radios. Electric iron imports have decreased from \$13,000 in 1934 to \$9,700 in 1935, Germany being the major supplier, having shipped \$7,900 in 1935 and \$7,800 in 1934. The United States supplied most of the remaining imports (\$3,000 in 1934 and \$2,500 in 1935).

Industrial apparatus such as dynamos, motors, and transformers showed an increase from \$1,200,000 in 1934 to \$2,755,000 in 1935: Germany (\$342,000 and \$975,000), United States (\$355,000 and \$759,000), Great Britain (\$223,000 and \$350,000), Sweden (\$167,000 and \$340,000, Belgium (\$57,000 and \$134,000), and Switzerland (\$89,000 in 1935). Canada was credited in 1935 with \$800.

Porcelain insulators, closely allied to this electrical field, show an increase in value from \$48,000 in 1934 to \$117,000 in 1935: United States (\$29,000 and \$88,000), Canada (nil and \$3,800), Great Britain (\$1,900 and \$7,400). Portugal, Sweden, and Germany were the other suppliers of this market.

#### FURS AND PELTS

The fact that there has been an increase in the imports of furs and pelts in 1935 might well augur continued internal prosperity in Brazil. In weight there was an increase from 209,000 kilos to 255,000 kilos. Milreis values increased from 12,646 contos to 16,184 contos, while dollar values rose from \$897,000 to \$946,000. There are very few raw pelts imported into Brazil; the largest supplies come from centres such as London, Paris, and Antwerp. Belgium (\$434,000 in 1934 and \$421,000 in 1935) occupied first position, followed by Great Britain (\$303,000 and \$209,000), France (\$87,000 and \$204,000), and the United States (nil and \$3,000).

#### IRON PIPES AND TUBING

The increase in 1934 of the imports of iron pipes and tubes, when they stood at 21,799 tons valued at \$2,029,000, has continued in 1935, when the total amount of 28,795 tons valued at \$2,967,000 was imported. Germany (\$366,000 in 1934 and \$910,000 in 1935) has risen from fourth place in 1934 to first in 1935, followed by Belgium (\$667,000 and \$561,000), and Great Britain (\$459,000 and \$441,000), United States (\$402,000 and \$275,000), Poland (\$24,000 and \$255,000), and Holland (\$181,000 and \$206,000) followed. Canada in 1935 was credited with \$1,182. Other shippers to this market were Japan, Argentina, France, Sweden, and Czechoslovakia.

#### TACKS AND NAILS

Tack and nail imports decreased from \$246,000 in 1934 to \$196,000 in 1935. Germany (\$174,000 and \$136,000) continued to supply the greater part of the market. Great Britain (\$48,000 and \$36,000), United States (\$16,000 and \$13,000), and Czechoslovakia (\$6,000 in 1935) were the other major suppliers.

#### BARBED WIRE

Barbed wire imports showed an increase in value from \$1,156,000 in 1934 to \$1,312,000 in 1935. Germany (\$342,000 and \$602,000) supplanted the United

States (\$460,000 and \$295,000) in first place; Belgium (\$274,000 and \$339,000) occupied third place. Holland, France, and Great Britain supplied smaller amounts.

#### IRON AND STEEL WIRE

There has been a steady increase in the imports of iron and steel wire. Imports in 1934 were valued at \$1,575,000 as against \$2,065,000 in 1933. Germany (\$743,000 and \$1,221,000) practically dominated the market. Belgium (\$346,000 and \$342,000) was in second position, followed by the United States (\$322,000 and \$244,000), and Holland (\$70,000 and \$175,000). Small quantities were imported from Great Britain, France, Italy, Sweden, Switzerland, and Poland.

#### RAILS

Imports of steel rails decreased from 89,500 tons valued at \$3,634,000 in 1934 to 53,669 tons valued at \$2,697,000 in 1935. Belgium has risen from third position in 1934 (\$320,000) to first in 1935 (\$742,000). Poland from nil in 1934 has risen to second position with the total value of \$620,000, followed by Great Britain (\$150,000 in 1934 and \$344,000 in 1935), Holland (\$955,000 and \$340,000), the United States (\$2,111,000 and \$330,000), and Germany (\$35,000 and \$236,000).

#### LEATHER

Brazilian statistics have two classifications for leather—namely, hides and skins, which include enamelled leather and kid leather. Hides and skins in 1934 were imported to the value of \$920,000; in 1935, \$83,000: Germany (\$529,000 in 1934 and \$30,000 in 1935), Great Britain (\$81,000 and \$29,000), Argentina (\$39,000 and \$7,000), France \$45,000 and \$8,000). Belgium, the United States, and Italy were the other sources of supply.

Kid leather imports increased from \$46,000 in 1934 to \$143,000 in 1935: Germany (\$12,000 and \$99,000), France (\$7,000 and \$29,000), and Italy (\$14,000 and \$8,000). The United States and Great Britain were the other suppliers.

#### MALT

Although malt imports have shown a marked increase, from \$999,000 in 1934 to \$1,248,000 in 1935, imports from Canada have decreased from \$21,000 to \$8,000. Germany continued to occupy the first place (\$582,000 in 1934 and \$923,000 in 1935). Czechoslovakia has risen from sixth position in 1934 (\$31,000) to second (\$144,000), followed by Denmark (\$47,000 and \$96,000), Holland (nil and \$31,000), and Italy (\$149,000 and \$26,000). Smaller amounts were credited to the United States, Chile, Hungary, Argentina, France, and Poland.

#### AUTOMOBILES AND TRUCKS

In 1935 the classification of automobiles and trucks has been subdivided into four classes: passenger cars; chassis for passenger cars; trucks, including buses; and chassis for trucks.

The imports of passenger cars were almost entirely confined to assembled cars—7,766 units valued at \$4,109,000 in 1934 and 9,629 units valued at \$5,838,000 in 1935. The United States (7,586 units at \$3,946,000 and 9,047 units at \$5,400,000) dominated the market; Germany is in second place (84 units at \$81,000 and 442 units at \$320,000). Other shippers in 1935 were Holland (\$50,000), Italy (\$24,000), Great Britain (\$14,000), Belgium (\$13,000), and France (\$7,000).

Imports of trucks fully assembled are represented by 119 units valued at \$161,000 in 1935. Germany (60 units at \$75,000 in 1934 and 41 units at \$77,000

in 1935) occupied first place, followed by the United States (7,054 units at \$3,239,000 and 72 units at \$74,000).

The low value of the trucks imported is due to the fact that the greater part of the imports are chassis; the bodies are made in Brazil. In 1935 chassis imports were greater than the total imports of trucks and chassis in 1934—7,784 units valued at \$4,353,000 as against a total of 7,407 units valued at \$3,601,000 in 1934. The United States (7,497 units at \$3,875,000) dominated the market, followed by Germany (137 units at \$193,000) and Great Britain (104 units at \$107,000).

#### POTATOES

Imports of potatoes into Brazil showed a further decline in 1935 (1,103 tons valued at \$34,000 as against 3,414 tons valued at \$137,000 in 1934). With the rapid growth of local production, particularly in the states of São Paulo, Paraná, and Rio Grande do Sul, Brazil is becoming more and more self-supporting as regards this crop. Seed potatoes, however, are still imported; the 1935 imports are probably made up almost entirely of seed stock. Argentina (1,953 tons at \$66,300 in 1934 and 1,080 tons at \$33,200 in 1935) represented practically the entire imports. Holland, which exported potatoes to the value of \$45,000 in 1934, was credited with \$800 in 1935.

#### PAPER AND PULP

Newsprint imports have now exceeded the 1929 pre-revolution figure of 41,908 tons valued at \$641,000. In 1934 the total imports were 40,422 tons valued at \$1,718,000. In 1935, however, 44,815 tons valued at \$2,150,000 were imported. Finland (14,823 tons at \$583,000 in 1934 and 19,506 tons at \$862,000 in 1935) supplied roughly 40 per cent of the total imports. Germany, which in 1934 with 3,444 tons valued at \$202,000 occupied fourth place, moved to second in 1935 with 9,354 tons valued at \$548,000. Canada (5,930 tons at \$212,000 in 1934 and 9,653 tons at \$386,000 in 1935) remained in third place, followed by Sweden (4,642 tons at \$201,000 and 3,613 tons at \$167,000). Norway (9,867 tons at \$421,000 and 2,064 tons at \$96,000) dropped from second position in 1934 to fifth position in 1935. Holland, the United States, and Great Britain were the other suppliers.

Other papers, such as bond paper, writing paper, etc., have decreased from 291 tons valued at \$78,000 in 1934 to 216 tons valued at \$59,000 in 1935. The United States (\$9,000 and \$13,000) was the largest supplier, followed by Germany (\$20,000 and \$12,000), Austria (\$15,000 and \$9,000), Great Britain (\$12,000 and \$6,000), Sweden (\$4,000 and \$5,000), Belgium (\$162 and \$4,000), and Japan (\$500 and \$2,000). Italy and Norway were the other suppliers.

Imports of wood-pulp have decreased from 74,000 tons in 1934 to 63,000 tons in 1935 with values of \$3,155,000 and \$2,676,000 respectively. Sweden (20,000 tons at \$853,000 in 1934 and 22,000 tons at \$921,000 in 1935) continued to lead on the market, followed by Germany (15,000 tons at \$664,000 and 17,000 tons at \$705,000), Great Britain (23,000 tons at \$957,000 and 453 tons at \$10,000), Finland (4,500 tons at \$201,000 and 8,400 tons at \$336,000), Holland (4,700 tons at \$194,000 and 6,871 tons at \$296,000), Belgium (3 tons at \$702 and 3,754 tons at \$121,000), Norway (5,000 tons at \$178,000 and 3,046 tons at \$130,000), United States (480 tons at \$22,000 and 840 tons at \$44,000), and Czechoslovakia (1,600 tons at \$79,000 and 97 tons at \$3,000). Canada is credited with having shipped 11 tons at \$744 in 1935.

#### PAINTS AND VARNISH

The rapid growth of the national production of paints and varnish has brought about a further decrease in the imports of general paints from a total

of 857 tons valued at \$375,000 in 1934 to 86 tons at \$44,000 in 1935. The United States (496 tons at \$253,000 in 1934 and 47 tons at \$28,000 in 1935) supplied over 50 per cent of the market. The greater part of the American exports is made up of special paints and lacquers for motor car finish and quick-drying enamels. Great Britain (\$62,000 and \$9,000) was in second place, followed by Germany (\$25,000 and \$5,500). Argentina, Belgium, Denmark, France, and Japan were other sources of supply.

Varnish imports have also decreased from 155 tons valued at \$92,000 in 1934 to 121 tons valued at \$73,000 in 1935. The United States (71 tons at \$34,000 and 72 tons at \$31,000) again lead, followed by Germany (20 tons at \$12,000 and 12 tons at \$14,000), Great Britain (37 tons at \$21,000 and 24 tons at \$13,400). Belgium, Holland, France, Argentina, Italy, Japan, and Uruguay were the only other suppliers in 1935.

#### LEAD

Lead imports, although decreasing in quantity—from 8,396 tons in 1934 to 7,981 tons in 1935—increased in value from \$526,000 to \$649,000. Spain was the largest single supplier (2,425 tons at \$142,000 and 3,374 tons at \$277,000), followed by the United States (1,374 tons at \$81,000 and 1,932 tons valued at \$154,000), Canada (2,095 tons at \$117,000 and 1,532 tons at \$107,000). Other shippers were Germany, Belgium, France, Great Britain, Uruguay, Argentina, Denmark, and Poland.

#### RUBBER MANUFACTURES

Expanding local industry is again illustrated in the decrease in imports of general manufactures of rubber goods, from a value of \$268,000 in 1934 to \$106,000 in 1935. Germany (\$95,000 in 1934 and \$46,000 in 1935), the United States (\$65,000 and \$25,000), France (\$27,000 and \$12,000), Great Britain (\$36,000 and \$8,000), Japan (\$6,000 and \$8,000), and Italy (\$29,000 and \$4,000) supplied practically the whole market.

In 1935 separate classification was given to tires and tubes, the total value of the imports being \$2,411,000 as against \$1,854,000 in 1934. Of the 1935 total, \$121,000 were for inner tubes, and \$2,290,000 for casings. The United States (\$877,000 in 1934, and inner tubes \$63,000 and casings \$1,151,000 in 1935) supplied over 50 per cent of the market, followed by Great Britain (\$348,000 in 1934, and \$25,000 for tubes and \$380,000 for casings in 1935). France occupied third position, having shipped to the total value of \$73,000 in 1934 as against \$12,000 for tubes and \$222,000 for casings in 1935. Italy in 1934 shipped to the value of \$347,000, and in 1935 of tubes \$7,800 and of casings \$221,000. Canada in 1934 was not indicated as a shipper, but in 1935 inner tubes to the value of \$6,300 and casings to the value of \$67,800 were imported. Other suppliers in 1935 were Japan (\$45,000), Holland (\$8,000), Belgium (\$86,000), Germany (\$82,000), and Argentina (\$8,000).

#### SILK YARN

Silk yarn imports have decreased from \$3,113,000 in 1934 to \$2,317,000 in 1935, supplied by Italy (\$1,750,000 in 1934 and \$1,340,000 in 1935), United States (\$415,000 and \$504,000), Switzerland (\$425,000 and \$125,000), Japan (\$17,000 and \$211,000), and France, Great Britain, and Assyria.

#### WHEAT

Wheat imports during 1935 were the highest for the years succeeding 1928. During this period 1933, with the total of 850,000 tons, imports were heaviest. In 1935, however, the total imports were 881,722 tons valued at \$25,157,000 as against 809,842 tons valued at \$18,209,000 in 1934. Practically the entire import of 1935 came from Argentina (798,618 tons valued at \$17,969,000 in

1934 and 880,722 tons valued at \$25,000,000 in 1935). Canada in 1934 shipped wheat to the value of \$147,000. In 1935, however, because of price differential, Canada did not appear as a supplier. Wheat to the value of \$11,000 was imported from the United States, and from Chile to the value of \$24,000; Uruguay in 1934 was credited with \$95,000, and in 1935 with \$1,400.

### ZINC

Of the total imports of zinc—1,360 tons in 1934 valued at \$136,000 and 1,478 tons valued at \$131,000 in 1935—Canada supplied 447 tons valued at \$39,500 as against 208 tons valued at \$18,358 in 1934, Belgium (456 tons at \$42,000 in 1934 and 448 tons at \$36,000 in 1935), Poland (nil and 243 tons at \$21,000), Great Britain (435 tons at \$41,000 and 211 tons at \$17,500). Germany (\$7,900), and the United States (\$5,900) were among the smaller sources of supply.

## TRADE OF MANCHURIA, JANUARY TO JUNE, 1936

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

(Values are expressed in Manchukuo yuan)

Tientsin, September 30, 1936.—The import and export figures covering the trade of Manchuria for the first six months of the present year have just been issued. These figures include as an integral part those of the Kwantung Leased Territory for the same period. The total trade amounted to Y682,593,827 (Manchukuo yuan or dollars now pegged to the Japanese yen valued at about Can.\$0.29) as compared to Y523,535,820 for this same period last year, constituting an increase of about 30 per cent. Of this year's grand total, the exports amounted to Y344,091,690 (Y225,292,755 in the same six months of 1935) and the imports to Y338,502,137 (Y298,243,065). Both showed noteworthy increases; these amounted respectively to 53 per cent and 13 per cent.

The advance made in exports is outstanding, and it was more than sufficient to wipe out the adverse balance of trade which has persisted during the past two or three years even although there was also an increase in imports. The excellent showing made by exports for the period under review is partly due to the fact that an appreciable portion of the 1935 soya bean crop could not be moved overseas, because of the excess of moisture in the beans, before the end of that year as is customary. However, in addition, the more important commodity groups with some minor exceptions all showed increases this half-year. Of the exports, native goods represented a value of Y306,812,970 (Y211,889,981) and foreign goods or re-exports Y37,278,720 (Y13,402,774).

Similarly, on the import side foreign goods totalled Y338,502,137 (Y298,154,637); and native goods, nil (Y88,428). In addition to the above total imports and exports, the movement both ways in silver coin and bullion amounted to, exports Y12,846,417 (nil in 1935), and imports Y555,580 (Y110,069).

Following is a table showing the export and import values, expressed in yuan, in accordance with the countries of destination and origin:—

### *Exports and Imports of Manchuria by Countries*

Country	Exports		Imports	
	Jan.-June, 1936 Yuan	Jan.-June, 1935 Yuan	Jan.-June, 1936 Yuan	Jan.-June, 1935 Yuan
Total .. . . .	344,091,690	225,292,755	338,502,137	293,243,065
Japan.. . . .	138,471,159	99,725,045	253,804,727	214,254,748
Korea.. . . .	31,850,091	21,301,875	12,746,798	11,125,259
China.. . . .	63,875,577	30,037,005	19,930,028	12,821,421
Russia.. . . .	1,123,334	3,137,581	65,350	729,396
Hongkong.. . . .	4,837,917	3,860,292	2,692,865	1,199,154
British India .. . . .	1,576,906	1,465,302	8,929,559	9,086,787
Netherlands India.. . .	372,691	428,042	3,195,113	3,121,766

*Exports and Imports of Manchuria by Countries—Concluded*

Country	Exports		Imports	
	Jan.-June, 1936 Yuan	Jan.-June, 1935 Yuan	Jan.-June, 1936 Yuan	Jan.-June, 1935 Yuan
Great Britain . . . . .	16,186,079	11,889,392	3,183,739	4,852,103
France . . . . .	3,239,394	2,537,493	187,685	218,781
Germany . . . . .	30,637,314	17,296,927	7,223,402	8,683,157
Belgium . . . . .	430,246	209,742	333,231	1,028,661
Netherlands . . . . .	5,366,716	7,936,014	173,175	206,501
Italy . . . . .	200,497	2,766,124	1,170,594	269,387
United States . . . . .	10,074,647	10,187,385	11,467,755	14,182,935
Other countries . . . . .	35,849,122	12,514,536	13,398,116	16,463,009

## EXPORTS

The dominating position in Manchuria's export trade was held by Japan, as usual, and during the period under review that country absorbed 40 per cent of all of the goods shipped out of the country. Combined with Korea, the total for the Japanese Empire amounted to 49 per cent or roughly one-half of the entire exports. China was next in order of importance with 19 per cent, followed by Germany with 9 per cent, Great Britain 5 per cent, and the United States 3 per cent. The values of the principal export products of the territory, exceeding Y1,000,000 in each case, are shown, with comparative figures for last year, in the table below:—

*Exports of Manchuria by Commodities*

Commodity	Jan.-June, 1936 Yuan	Jan.-June, 1935 Yuan
Soya beans . . . . .	121,340,823	62,847,648
Beancake . . . . .	38,309,979	33,042,172
Coal . . . . .	18,737,793	21,304,973
Bean oil . . . . .	16,499,612	11,752,659
Peanuts . . . . .	13,046,795	13,450,520
Millet . . . . .	12,350,233	5,691,356
Perilla seed . . . . .	11,622,487	5,262,339
Other beans . . . . .	7,996,658	6,052,801
Kaoliang . . . . .	6,819,763	1,434,297
Sulphate of ammonia . . . . .	6,501,415	2,099,665
Perilla oil . . . . .	4,991,127	2,013,022
Pig iron . . . . .	4,458,376	6,029,731
Skins . . . . .	3,962,135	1,796,891
Cotton yarn . . . . .	3,004,250	2,712,523
Iron and steel manufactures . . . . .	2,993,868	213,936
Maize . . . . .	2,892,585	720,248
Hemp seed . . . . .	2,772,630	3,641,793
Bristles . . . . .	2,587,844	1,242,221
Wild raw silk . . . . .	2,370,898	4,822,154
Wheat bran . . . . .	1,766,321	252,211
Salt . . . . .	1,362,848	1,605,659
Timber and wood . . . . .	1,108,827	1,997,750
Castor seed . . . . .	1,049,786	1,217,584
Buckwheat . . . . .	1,007,676	955,426

## PRINCIPAL EXPORT DESTINATIONS BY PRODUCTS

Of the soya bean exports, Japan took almost one-third, Egypt 21 per cent, Germany 15 per cent, Great Britain 9 per cent, and China and Korea about 7 per cent each. Japan also took about three-fourths of the total exports of beancake and coal. Bean oil was distributed in the following proportions: Germany 43 per cent, Great Britain 21 per cent, and each of Hongkong and China 13 per cent. Germany purchased 37 per cent of the peanut shipments, followed by Holland with 19 per cent, Canada, Japan, Hongkong, and Denmark being the other countries chiefly interested in this trade. Practically all of the millet went to Korea, and the perilla seed and "other" beans to Japan.

China and Japan divided the kaoliang trade in proportions of two to one, and Japan and Korea that in sulphate of ammonia in the proportions of five to two. The United States absorbed almost the entire output of perilla oil, and Japan that of pig iron. The skins trade went to Japan and the United States in the ratios of 70 per cent and 26 per cent. British India and Japan divided almost equally that in cotton yarn. Much the greater part of the iron and steel manufactures was absorbed by Japan. Most of the maize went to China. Of the hemp seed exports, the United States took 54 per cent, the remainder going mainly to Japan and France. The bristle exports were distributed mainly as follows: United States 42 per cent, Japan 27 per cent, and China 20 per cent. Japan took 85 per cent of the raw wild silk exports.

### IMPORTS

The dominance of Japan in Manchuria's import trade is much more marked than it is in the export trade. For the first six months of this year, 75 per cent of the total imports originated in that country. Adding Korea's share, the total for the Japanese Empire closely approximates 79 per cent. China came second with 6 per cent, followed by the United States with over 3 per cent.

The values in yuan of the principal import products of the territory exceeding Y4,000,000 are shown, with comparative figures for last year, in the following table:—

Commodity	Jan.-June, 1936	Jan.-June, 1935
	Yuan	Yuan
Sugar . . . . .	21,410,196	5,947,778
Iron and steel . . . . .	21,025,013	29,677,142
Silk piece-goods . . . . .	20,239,174	8,293,339
Vehicles and vessels . . . . .	17,851,415	17,623,643
Cotton piece-goods, white or dyed . . . . .	17,772,932	12,233,277
Machinery and tools . . . . .	17,316,185	14,422,414
Wheat flour . . . . .	15,921,275	32,799,800
Cotton piece-goods, grey . . . . .	14,936,949	13,742,411
Artificial silk floss and yarn . . . . .	12,958,960	2,667,753
Raw cotton . . . . .	8,047,293	3,074,094
Electrical requisites . . . . .	8,046,470	6,720,763
Paper . . . . .	7,590,819	5,771,480
Rice and paddy . . . . .	7,047,617	5,898,883
Rubber boots and shoes . . . . .	6,346,221	5,990,268
Chemicals and pharmaceuticals . . . . .	5,830,517	5,888,844
Woollen piece-goods . . . . .	5,456,715	5,122,472
Cotton piece-goods, printed . . . . .	5,292,031	3,870,760
Clothing of all kinds . . . . .	5,130,863	4,494,236
Timber and wood . . . . .	5,061,428	6,328,633
Fishery and sea products . . . . .	4,826,103	3,340,084
Fruits, fresh, dried, preserved . . . . .	4,291,861	3,809,345
Cotton yarn . . . . .	4,276,682	5,609,870
Paperware . . . . .	4,240,437	2,814,885
Wines, spirits, table waters . . . . .	4,234,906	3,616,139
Gunny bags . . . . .	4,066,298	6,422,959

### INCREASES AND DECREASES

Undoubtedly the rise in imports for the period under review was caused in some part by the use of Dairen as the base for the smuggling which is carried on in North China. The figure covering re-exports given previously amounts to almost 11 per cent of the total imports. In the above table this trend can be clearly seen in various items, of which sugar and silk piece-goods are the most outstanding. These two have been the backbone of the smuggling trade in this territory ever since its inception. The same trend can also be seen in most of the cotton piece-goods, food and drink, and paper and paperware items. The main decreases were in wheat flour, due to the excellent North Manchurian 1935 wheat crop, and in the building and constructional materials items, evidence of the slowing down of the planned construction program which in recent years has caused a consistent adverse balance of trade in Manchuria.

## PRINCIPAL SOURCES OF IMPORTS BY PRODUCTS

Sugar this year is the most important commodity, mainly for the reason given above, and of the total Japan supplied almost three-fourths, practically all of the remainder coming from Dutch East India, Hongkong, and Korea. Japan also provided about 85 per cent of the iron and steel and of the vehicles and vessels, and 75 per cent of the machinery and tools. That country had as well practically a monopoly of the textile items, including silk piece-goods, artificial silk floss and yarn, and all of the cotton and woollen piece-goods, as well as of yarn, clothing, electrical requisites, fruits, wines, spirits and table waters, and rubber boots and shoes.

China supplied 68 per cent of the raw cotton, followed by Korea with 23 per cent and British India with 8 per cent. Wheat flour, which last year was the largest single import item, decreased by over 50 per cent in value for the same period this year. Of the total, Japan was the source of 53 per cent and Australia of 44 per cent. In the paper item Japan also led with 84 per cent, China and Korea securing most of the balance, whereas in paperware Japan was the source of 87 per cent, China being the only other contributor of note. The rice and paddy was imported in the following percentages: French Indo-China 47, China 27, Korea and Hongkong each 6.

Of the chemicals and pharmaceuticals, 80 per cent originated in Japan and the remainder mainly in Germany, Great Britain, China, and Korea. The timber and wood was supplied in the following percentages: Japan 49, Korea 35, and the United States 11. Japan and Korea supplied much the greater part of the fishery and sea products with 72 and 19 per cent respectively of the total imports, and British India and Japan divided in fairly equal proportions the trade in gunny bags.

## TRADE WITH CANADA

The statistics covering the exports to and imports from Canada are exceptionally meagre, since only the countries with the larger values are shown in the detailed items of trade, Canada being classed usually with "other countries." In fact, only one import and one export item are specifically mentioned. The latter is peanuts to the value of Y943,129 (Y1,003,847 in the same period of 1935) and the former is timber to the small value of Y5,280 (Y30,415). Nor are any figures given which would indicate the total exports and imports between the two countries.

However, more details in this respect are available from the trade returns of the Kwantung Leased Territory, which includes the port of Dairen, through which all this trade normally passes. In many cases the origin and destination of goods handled from stocks at this transshipment point are lost and are therefore not available in their original form for the statistical services of Manchuria. Reference to the Kwantung Leased Territory trade returns, although they do not provide an accurate picture, will, however, indicate to better advantage the state of trade now existing.

## EXPORTS AND IMPORTS

These show exports to Canada of the following products: beancake, 37,723 yen; bean oil, 17,233 yen; coal, 10,620 yen; pig iron and steel, 744 yen; and all others, 2,463 yen. Combined with the item of peanuts previously mentioned, these give total exports, as far as can be gauged, of 1,011,912 yen.

The total imports from Canada, as far as can be judged, amounted to 354,457 yen, of which timber was much the most important. Its value was 240,708 yen as compared to 15,781 yen during the same period of 1935, thereby showing a considerable increase. Canada's percentage share of the total imports of timber and bamboos, valued at 3,028,485 yen, was only 7.5 per cent; but, since Japan's share was 71 per cent, it is fairly evident that a certain portion of Canada's shipments to that country ultimately were reshipped to Dairen. Similarly, the share

of the United States is shown at 8.4 per cent only, which would not account by any means for the trade carried on in Douglas fir.

Wheat flour valued at 39,000 yen was next in order of importance. The imports for the same period in 1935 were nil, so that the present value, although small, is still a clear gain. The total trade was valued at 9,485,340 yen (30,837,975 yen during January-June, 1935), showing a remarkable decrease of over two-thirds due to the good wheat crop in Manchuria last year and to the consequent greater milling activity in North Manchuria. Of this year's total imports, Japan and Australia divided the trade between them with respective amounts of 4,942,981 yen and 4,499,354 yen, the remainder going to Canada, with small amounts to Hongkong and China. The remaining items were: dyes, 3,200 yen; drugs and chemicals, 1,200 yen; and "other" articles, 70,349 yen. These latter were mainly rye whisky; furs; canned and other foodstuffs such as biscuits, cheese, rolled oats, jelly powders, cocoa, confectionery, and macaroni; auto batteries; and rubber goods.

## PHOTOGRAPHIC INSTRUMENTS INDUSTRY IN JAPAN

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

(One yen equals approximately 29 cents Canadian funds at the present rate of exchange)

Tokyo, October 6, 1936.—Although the photographic instruments industry in Japan is far behind that of Occidental countries, it is now reaching a point where nearly half of the domestic demand is supplied by Japanese companies. In 1933, the last year for which information is available, the domestic production of cameras, plates, lenses, filters, shutters, printing paper, and chemicals, etc., amounted to 8,794,000 yen; imports in the same year were valued at 9,176,000 yen.

### EXPANSION OF INDUSTRY

The rapid expansion in this industry is in part due to the fact that the Government has given financial assistance to manufacturers of photographic supplies. Another reason is that a boom in the munitions industry has indirectly helped the photographic industry inasmuch as similar raw materials are used in both industries.

While Japan is still a large importer of photographic supplies, she is also an exporter of these products. China, Manchukuo, and the Middle East are at present her best markets. In 1935 exports of sensitized paper for photographs were valued at 288,427 yen, but exports of other supplies such as cameras and chemicals are not included in the returns, although it is known that certain amounts, though small, are exported.

There are two foreign firms in Japan selling cameras and films, namely the Eastman Kodak Company and Agfa. The Eastman Company do a large business in films, both ordinary and moving picture films, but their sale of cameras is comparatively small. The above remarks apply to Agfa as well. The Japanese prefer the German style of camera and the Carl Zeiss Company of Germany are by far the largest suppliers of cameras to Japan. The value of their sales greatly exceeds that of any Japanese company. Japanese cameras are very cheap—between 20 and 60 yen for the popular sellers. At one time Kodak Japan, as the Eastman Kodak Company is known in Japan, imported most of their positive motion picture films and ordinary films from their Canadian plant, but this practice has now been discontinued due to a change in the policy of the company.

### IMPORTS

Imports of photographic instruments in 1935 were valued at 2,582,740 yen as against 1,418,670 yen in 1934. Germany and the United States were the largest suppliers. Imports of moving picture films were valued at 4,808,443

yen as against 3,930,071 yen in 1934. Imports of ordinary films were valued at 1,082,525 yen as against 858,545 yen. The United States and Germany were also the largest exporters of films to Japan. Imports of undeveloped photographic plates were valued at 1,736,132 yen as against 1,823,972 yen in 1934.

### PRODUCTION

The production of printing papers for photographic purposes by the three leading Japanese companies was estimated at 2,751,000 yen in 1933; imports in the same year were valued at 1,245,000 yen. Imports of printing paper in 1933 came chiefly from the United States, the United Kingdom, Germany, and Belgium; the situation is unchanged.

The manufacture of photographic plates was started in Japan in 1907, and the bulk of domestic demand for ordinary plates is supplied by local manufacturers, although special plates are still imported. The production of photographic plates by the two leading manufacturers was valued at 3,553,000 yen in 1933.

The manufacture of films for cameras was begun in 1927, and at the present time films for motion pictures and special uses are also produced. The production of films in 1932 was valued at 860,000 yen; that of lenses, which was 130,000 yen in 1930, rose to 250,000 yen in 1934.

The production and imports of lenses in recent years were as follows:—

	Production Yen	Imports Yen
1931 .....	145,000	119,117
1932 .....	200,000	121,784
1933 .....	233,000	57,014

As a result of the rapid growth of the camera-manufacturing industry, imports of cameras have shown a large decline in recent years although there is still a good market for imported high-grade cameras, as only cheaper types are manufactured in Japan.

Up to 1934 the production and imports of cameras were as follows:—

	Production Yen	Imports Yen
1930 .....	700,000	1,432,000
1931 .....	800,000	1,419,000
1932 .....	700,000	966,000
1933 .....	1,000,000	765,000
1934 .....	1,200,000	858,000

The production of photographic instruments from 1931 to 1933 was as follows:—

	1931 1,000 Yen	1932 1,000 Yen	1933 1,000 Yen
Cameras .....	800	700	1,000
Plates .....	706	1,015	3,553
Ordinary films .....	615	860	1,254
Printing papers .....	1,791	1,750	2,752
Lenses .....	145	200	233

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### United Kingdom Tariff Changes on Iron and Steel

The Additional Import Duties (No. 28) Order of the United Kingdom, effective November 4, re-establishes, with some modifications, the increased import duties imposed on certain elementary iron and steel products of non-Empire origin by the Additional Import Duties (No. 6) Order of 1935 and which were shortly afterwards suspended by Order No. 13 of 1935. The increased duties, however, will apply to the iron and steel goods in question only when they are not admissible under the terms of another order, No. 29 of 1936, also effective November 4. Under No. 29 Order certain prescribed quan-

titles of these iron and steel products are admissible at 20 per cent ad valorem when accompanied by a certificate of origin and a quota certificate.

The goods affected are certain iron and steel ingots, blooms, billets, slabs, girders, beams, joists, pillars, angles, shapes, sections, bars, rods, plates, sheets, hoop, strip, rails, wire, upholstery and mattress wire springs, galvanized hexagonal wire netting, nails, staples, tacks, and boot and shoe studs and spikes.

The rates of No. 28 Order in most cases vary according to the value of the goods. Information regarding these duties will be furnished to interested firms on request.

All these iron and steel goods, when Canadian products within the meaning of the Imperial preference regulations, are guaranteed duty-free entry under the terms of the Canada-United Kingdom Trade Agreement of 1932.

### Australian Tariff Decisions

Recent decisions of the Australian Department of Customs as to the classification and rates of duty on goods regarding which question had been raised include the following:—

Tool handles imported with tool heads, but unattached, one handle for each tool head, are to be classified under the tariff item applicable to the tool head.

Glass bowls (other than of cut glass) of the indirect lighting type, imported with fittings—i.e., one set of chains and one ceiling rose for each bowl—are dutiable at 35 per cent ad valorem under the British preferential tariff and 55 per cent ad valorem under the general tariff (Item 180C).

Sponge bags made of textile fabric rubberized on one side and closed by a draw string, 30 per cent ad valorem under the British preferential tariff and 50 per cent ad valorem under the general tariff (Item 122A).

Compound flavouring extracts, non-spirituous, being a pasty extract of defatted cocoa mass and artificial colouring, used in the manufacture of cakes and confectionery, 3s. 6d. per pound under the British preferential tariff and 5s. per pound under the general tariff, with alternative rates of 30 per cent and 50 per cent ad valorem respectively if they return higher duty (Item 11B).

Self-heating soldering irons, fitted with blow-lamps, soldering butt and flame guard, 35 per cent ad valorem British preferential tariff and 55 per cent ad valorem general tariff (Item 190A). Tool bags and tool boxes for cycles or motor cycles, whether imported empty or containing a set of standard tools, free of duty under the British preferential tariff and 25 per cent ad valorem under the general tariff (Item 352A2).

Foil paper, being corrugated paper with a permanent foil facing, attached by gumming to a plain or corrugated packing paper, free of duty under the British preferential tariff, 15 per cent ad valorem under the general tariff (Item 334K).

Randing paper, resembling leather, consisting of fine sheets of paper cemented together with rubber, used in the boot and shoe trade, 45 per cent ad valorem under the British preferential tariff and 65 per cent ad valorem under the general tariff (Item 340C).

Fountain pens and boxes therefor (not being fancy boxes) imported in equal quantities in a cardboard carton, but packed separately therein, free of duty under the British preferential tariff and 15 per cent ad valorem under the general tariff (Item 346C).

On the foregoing items the British preferential tariff applies to Canada and the general tariff to all countries outside the British Empire.

### Irish Free State Import Quotas on Hosiery, Soap, and Candles

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by Executive Council Orders, import quotas for the period December 1, 1936, to May 31, 1937, have been fixed on silk and artificial silk hosiery at 365,000 pairs as against 361,000 pairs in the previous six-months' period, on soaps at 1,600 cwts. as against 2,150 cwts. in the previous six-months' period and on candles at 100 cwts. as against 150 cwts. in the previous six-months' period.

## Italian Tariff Changes on Wheat and Flour

Mr. A. B. Muddiman, Canadian Trade Commissioner at Milan, cables that, effective November 2, 1936, the Italian rates of duty on wheat and flour are reduced to 32 lire per 100 kilos (at current exchange 46 cents per bushel) for wheat and 49 lire per 100 kilos (at current exchange \$1.17 per 100 pounds) for flour. Formerly the rate of duty on wheat was 47 lire per 100 kilos and on flour 72 lire per 100 kilos (see *Commercial Intelligence Journal* No. 1708: October 24, 1936, page 793).

(The Italian lira at current exchange is worth 5.26 cents Canadian. 100 kilos equal 220.4 pounds)

## New Tariff of Cyprus

The *Cyprus Gazette* of September 14, 1936, contains a new customs tariff (Customs Law 1936) which increases the margin of preference on some goods of British Empire origin.

The British preferential tariff on unenumerated rubber manufactures, unenumerated iron and steel manufactures, electrical goods and apparatus, and photographic films and plates has been reduced from 16½ per cent ad valorem to 16 per cent, and the general tariff increased from 20 per cent ad valorem to 24 per cent.

The preferential rate on toilet preparations has been reduced from 25 per cent ad valorem to 20 per cent ad valorem, and the general rate of 30 per cent retained.

The preferential rate of 25 per cent ad valorem on silk inclusive of artificial silk goods remains unchanged, but the general rate has been increased from 30 per cent to 35 per cent ad valorem.

The preferential rate on leather goods has been reduced from 13½ per cent to 12 per cent ad valorem, while the general rate is 20 per cent as formerly.

Flour of British Empire origin has been reduced from £2 5s. per ton (2,240 pounds) to £1 per ton, and foreign flour from £5 5s. per ton to £4 per ton.

The preferential duty on macaroni and vermicelli has been reduced from 5½ piastres per oke (about 81 cents per 100 pounds) to 4 piastre per oke (76 cents per 100 pounds), and the general rate has been increased from 1 piastre per oke (97 cents per 100 pounds) to 1½ piastres per oke (\$1.46 per 100 pounds).

The duty on motor cars, motor cycles, and parts is unchanged at 10 per cent ad valorem preferential and 30 per cent ad valorem general, and machinery and parts remain free of duty.

Additions to the list of goods exempt from import duty include poultry-farming and bee-keeping appliances and certain articles used in the packing and export of agricultural products.

Canadian goods accompanied by certificates of origin are eligible for preferential tariff treatment upon importation into Cyprus.

(The Cyprus pound equals the pound sterling; the piastre equals 1½d.; oke equals 2.8 pounds)

## Removal of Cuban Flour Tax Affects United States Wheat Duty

On account of removal of the Cuban consumption tax of ½ cent per pound on imported flour (see *Commercial Intelligence Journal* No. 1706: October 10, 1936, page 705), a United States Treasury Decision 48575, of October 14, 1936, cancels the resulting duty levied on imported wheat ground in the United States for export to Cuba as flour. It is provided in Section 311 of the United States Tariff Act of 1930 that "no flour manufactured in a bonded manufacturing warehouse from wheat imported . . . shall be withdrawn from such warehouse for exportation without payment of a duty on such imported wheat equal to any reduction in duty which by treaty will apply in respect of such flour in the country to which it is to be exported." The United States under her reciprocity treaty with Cuba was allowed a 30 per cent reduction on the consumption tax of ½ cent per pound. This Cuban consumption tax was abolished on September 3, 1936, and the resulting United States duty on imported wheat is also abolished from that date.

### United States—Finland Trade Agreement

A trade agreement between the United States and Finland signed on May 18, 1936, will, as a consequence of an exchange of ratifications between the two governments on October 2, be brought into force on November 2, 1936. The agreement is for three years, subject to termination thereafter within six months' notice by either party. It provides for certain reductions in duty and for unconditional most-favoured-nation treatment for the trade of each country in the territory of the other.

Articles guaranteed continued free entry into the United States are: Cream separators valued not over \$50 each and parts, mechanically ground wood-pulp, chemical wood-pulp, unbleached or bleached, and newsprint paper. Existing duties are bound on: Paperboard and wallboard processed or not, wrapping paper not specially provided for except sulphate and straw paper, vegetable parchment paper, and matches in small boxes (plain stem). United States duties are reduced on:—

	Former Rate	New Rate
Granite, manufactured . . . . .	60% ad val.	30% ad val.
Granite, unmanufactured . . . . .	25c. cu. ft.	12½c. cu. ft.
Cream separators valued \$50 to \$100 each and parts . . . . .	25% ad val.	12½% ad val.
Birch plywood . . . . .	50% ad val.	25% ad val.
Spools of wood . . . . .	33½% ad val.	25% ad val.
Cheese, Emmenthaler or Swiss . . . . .	7c. per lb. but not less than 20% ad val.	5c. per lb. but not less than 20% ad val.
Gruyère process cheese . . . . .	7c. per lb. but not less than 20% ad val.	5c. per lb. but not less than 20% ad val.
Sulphate wrapping paper . . . . .	30% ad val.	20% ad val.

Finland grants to the United States continued free entry of uncarded cotton and used jute sacks. Articles on which existing duties are bound include: Fresh pears and plums, motion picture film, patent leather, rubber belts, copper rods, refrigerating machines, office machines, automobiles, gasoline, and cornstarch.

The Finland tariff is reduced on:—

	Former Rate In Finnish Markkas per Kilo	New Rate
Lard (annual quota of 2,204,600 pounds) . . . . .	6.00	4.00
Apples, fresh (Dec. 15-June 15) . . . . .	6.00	1.50
Grapefruit, fresh or merely cooked . . . . .	3.00	0.50
Raisins . . . . .	1.00	0.50
Prunes . . . . .	1.37	0.70
Dried fruits (pears, apricots, peaches and mixed fruit for salad) . . . . .	6.00	3.00
Canned pineapples, pears, peaches, apricots, mixed fruit for salad, grapefruit, tomato juice and asparagus . . . . .	10.00	6.50
Automobile tires and tubes . . . . .	22.20	20.00
Steel desks and chairs . . . . .	4.50	3.00

The tariff reductions made by Finland and the United States are extended to Canada.

### Free Entry of Foodstuffs into Ecuador

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, cables that Ecuadorean newspapers report that a Government decree of October 23 authorizes the Banco Hipotecario del Ecuador to import free of duty flour, cereals, and sugar, and also all necessary foodstuffs not available or scarce in Ecuadorean production centres. These products must be offered publicly at cost under control of police authorities.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOVEMBER 2

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 2, and for the week ending Monday, October 26, 1936, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending October 26	Nominal Quotations in Montreal Week ending November 2	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1875	\$ .1868	3½
Belgium . . . . .	Belga	.1001	.1683	.1686	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0354	.0354	3
Denmark . . . . .	Krone	.2680	.2182	.2181	3½
Finland . . . . .	Markka	.0252	.0216	.0215	4
France . . . . .	Franc	.0392	.0464	.0465	2
Germany . . . . .	Reichsmark	.2382	.4020	.4018	4
Great Britain . . . . .	Pound	4.8666	4.8887	4.8862	2
Greece . . . . .	Drachma	.0130	.0090	.0089	7
Holland . . . . .	Guilder	.4020	.5390	.5400	2½
* Hungary . . . . .	Pengo	.1749	.2955	.2955	4
Italy . . . . .	Lira	.0526	.0526	.0526	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0230	5
Norway . . . . .	Krone	.2680	.2456	.2454	3½
Poland . . . . .	Zloty	.1122	.1882	.1882	5
Portugal . . . . .	Escudo	.0442	.0445	.0444	4½
Roumania . . . . .	Leu	.0060	.0075	.0073	4½
Spain . . . . .	Peseta	.1930	.....	.....	5
Sweden . . . . .	Krona	.2680	.2520	.2518	2½
Switzerland . . . . .	Franc	.1930	.2298	.2297	2
United States . . . . .	Dollar	1.0000	1.0000	.9993	1½
Mexico . . . . .	Peso	.4985	.2775	.2773	4-5
Cuba . . . . .	Peso	1.0000	.9992	.9986	—
Guadeloupe . . . . .	Franc	.0392	.0464	.0465	—
Jamaica . . . . .	Pound	4.8666	4.8987	4.8962	—
Martinique . . . . .	Franc	.0392	.0464	.0465	—
Other British West Indies	Dollar	1.0138	1.0185	1.0175	—
Argentina . . . . .	Peso (Paper)	.4245	.3259	.3258	3½
		Unofficial	.2775	.2763	—
Brazil . . . . .	Milreis (Paper)	.1196	.0868	.0867	—
		Unofficial	.0587	.0586	—
British Guiana . . . . .	Dollar	1.0138	1.0185	1.0175	—
Chile . . . . .	Peso	.1217	.0517	.0516	4½
		Unofficial	.0417	.0416	—
Colombia . . . . .	Peso	.9733	.5690	.5689	4
Peru . . . . .	Sol	.2800	.2500	.2498	6
Venezuela . . . . .	Bolivar	.1930	.2500	.2460	—
Uruguay . . . . .	Peso	1.0342	.8000	.8019	—
South Africa . . . . .	Pound	4.8666	4.8825	4.88	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.01	5.0062	—
China (Shanghai) . . . . .	Dollar	.....	.2934	.2934	—
Hongkong . . . . .	Dollar	.....	.3028	.3033	—
India . . . . .	Rupee	.3650	.3692	.3691	3
Japan . . . . .	Yen	.4985	.2856	.2855	3.29
Java . . . . .	Guilder	.4020	.5415	.5427	—
Siam . . . . .	Baht (Tical)	.4424	.4481	.4481	—
Straits Settlements . . . . .	Dollar	.5678	.5731	.5731	—
Australia . . . . .	Pound	4.8666	3.91	3.9087	—
New Zealand . . . . .	Pound	4.8666	3.935	3.94	2½

\* Unofficial: .1978

The Dominion Bureau of Statistics has supplied the following note:—

Apart from unusual strength in the Dutch guilder, foreign exchanges were quiet during the closing days of October. Financial circles were of the opinion that a slight decline in the guilder on October 31 was due to action on the part of the Dutch Stabilization Fund, but this could not be verified. Growing ease in the French short-term money market was considered to reflect the gradual return to France of capital previously held abroad. The Canadian dollar showed independent strength in the final days of October to register small gains against sterling, the United States dollar, and the French franc.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Kitchener, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Flour.....	697	Guayaquil, Ecuador.....	Agency.
Condensed Milk.....	698	Puerto Plata, Dominican Republic.	Agency.
<b>Miscellaneous—</b>			
Silk and Artificial Silk Ladies' Stockings.	699	Wellington, New Zealand..	Agency.
Silk and Artificial Silk Dress Fabrics.	700	Wellington, New Zealand..	Agency.
Eastern White Pine Lumber....	701	Lima, Peru.....	Agency.
Birch and Maple Flooring.....	702	Cape Town, South Africa..	Purchase.
Automobile Battery Supplies....	703	Beyrouth, Syria.....	Agency or Commission.

## PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

### From Montreal

*To Liverpool.*—Duchess of York, Nov. 14; Duchess of Atholl, Nov. 20; Duchess of Bedford, Nov. 25; Montrose, Nov. 26—all Canadian Pacific; Andania, Cunard-White Star Line, Nov. 20.

*To London.*—Beaverburn, Nov. 13; Beaverhill, Nov. 20; Beaverford, Nov. 26—all Canadian Pacific; Aurania, Nov. 13; Ausonia, Nov. 20; Alaunia, Nov. 27—all Cunard-White Star Line.

*To Manchester.*—Manchester Commerce, Nov. 12; Manchester Division, Nov. 19; Manchester Citizen, Nov. 25; Manchester Regiment, Nov. 28—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Norwegian, Cunard-Donaldson and Dominion Lines, Nov. 25.

*To Southampton.*—Montrose, Canadian Pacific, Nov. 26.

*To Cardiff, Bristol and Swansea.*—New York City, Bristol City Line, Nov. 12.

*To Glasgow.*—Athenia, Nov. 13; Sulairia, Nov. 20; Letitia, Nov. 27—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnglen (calls at Dundee), Nov. 19; Cairncross, Nov. 28—both Cairn-Thomson Line.

*To Aberdeen and Hull.*—Kyno, Ellerman's Wilson Line, Nov. 26.

*To Dublin and Belfast.*—Melmrore Head, Nov. 10; Dunaff Head (does not call at Belfast), Nov. 13; Lurigathan (does not call at Dublin), Nov. 18—all Head Line (cargo accepted for Cork).

*To Antwerp and Havre.*—Beaverburn (does not call at Havre), Canadian Pacific, Nov. 13; Kings County, Nov. 14; Grey County, Nov. 26; Brant County, Nov. 27—all County Line.

*To Rotterdam.*—Alaska, Nov. 23; Hada County, Nov. 28—both County Line.

*To Hamburg.*—Frankfurt (calls at Bremen), North German Lloyd Line, Nov. 27.

*To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Akre, Gardiaz Line, Nov. 16.

*To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Olmo, Capo Line, Nov. 11.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—A steamer, Nov. 9; Belle Isle, Nov. 20—both Newfoundland-Canada SS. Co.; Lotos, Nov. 10; Delta, Nov. 19; a steamer, Nov. 23—all Shaw SS. Co.

*To Cornerbrook, Nfld.*—New Northland, Nov. 10; North Voyageur, Nov. 16—both Clarke SS. Co.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Chomedy, Nov. 12; Cornwallis, Nov. 25—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Kingston (Jamaica) and Belize (British Honduras).*—Cathcart, Canadian National, Nov. 20.

*To Brisbane, Sydney, Melbourne and Adelaide.*—City of Canton, Montreal Australia New Zealand Line, Nov. 21.

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Canadian Constructor, Montreal-Australia-New Zealand Line, Nov. 24.

*To Manila, Hongkong and Shanghai.*—Myrmidon, Blue Funnel Line, Nov. 14.

*To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London and Durban.*—Calgary, Nov. 15; Egba (calls at Walvis Bay, Lourenco Marques and Beira), Nov. 25—both Elder Dempster Lines Ltd.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Ripon, Ellerman & Bucknall SS. Co., Nov. 25.

*To Santos and Buenos Aires.*—Rigel (calls at Rio de Janeiro), International Freighting Line, Nov. 10; Dagrún (calls at Montevideo but not at Santos), Canada-South America Line, Nov. 18.

### From Quebec

*To Southampton.*—Empress of Britain, Canadian Pacific, Nov. 7.

### From Saint John

*To Liverpool.*—Montcalm, Dec. 4; Duchess of York, Dec. 12; Montclare, Dec. 18; Montrose, Dec. 25—all Canadian Pacific.

*To London.*—Beaverbrae, Dec. 3; Beavertown, Dec. 10; Beaverburn, Dec. 17; Beaverford, Dec. 24—all Canadian Pacific.

*To Manchester.*—Manchester Port, Dec. 10; Manchester Producer, Dec. 17; Manchester Division, Dec. 24—all Manchester Line.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Dec. 11.

*To Avonmouth, Cardiff and Swansea.*—Airthria, Dec. 10; Dakotian, Dec. 26—both Cunard-Donaldson and Dominion Lines.

*To Glasgow.*—Delilian, Dec. 17; Sulairia, Dec. 31—both Donaldson-Atlantic Line.

*To Antwerp and Hamburg.*—Beaverburn, Canadian Pacific, Dec. 17.

*To Barcelona, Marseilles, Genoa, Naples, Messina, Palermo, Valencia and Seville.*—Capo Lena, Capo Line, Dec. 14.

*To Montevideo and Buenos Aires.*—Nordkap, Canada-South America Line, Dec. 20; Flint II (calls at Santos but not at Montevideo), International Freighting Line, Dec. 23.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, Nov. 11; Lady Drake, Nov. 25; Lady Nelson, Dec. 9—all Canadian National.

*To Kingston and Jamaican Outports.*—A steamer, United Fruit Line, Nov. 21.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—A steamer, American and Indian Line, November.

### From Halifax

*To Liverpool.*—Manchester Exporter, Nov. 10; Manchester Hero, Dec. 2—both Manchester Line; Newfoundland, Nov. 14; Nova Scotia, Nov. 28—both Furness Line; Montcalm, Dec. 5; Duchess of York, Dec. 13; Montclare, Dec. 19—all Canadian Pacific; Lancasteria, Cunard-White Star Line, Dec. 7.

*To London.*—Quaker City, Nov. 12; Capulin, Nov. 26—both American Hampton Roads (call at Hull and Dundee); Beaverbrae, Dec. 4; Beaverdale, Dec. 11; Beaverburn, Dec. 18; Beaverford, Dec. 25—all Canadian Pacific; Ascania, Dec. 6; Aurania, Dec. 13; Ausonia, Dec. 27—all Cunard-White Star Line.

*To Manchester.*—Manchester Exporter, Nov. 10; Manchester Commerce, Nov. 15; Manchester Spinner, Nov. 24; Manchester Regiment, Nov. 26; Manchester Hero, Dec. 2; Manchester Port, Dec. 12—all Manchester Line.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Dec. 12.

*To Cardiff, Bristol and Swansea.*—Gloucester City, Nov. 23; Montreal City, Dec. 21—both Bristol City Line.

*To Aberdeen, Newcastle and Hull.*—Kelso, Ellerman's Wilson Line, Dec. 19.

*To Avonmouth, Cardiff and Swansea.*—Airthria, Dec. 12; Dakotian, Dec. 28—both Cunard-Donaldson and Dominion Lines.

*To Glasgow.*—Delilian, Donaldson-Atlantic Line, Dec. 19.

*To Newcastle and Leith.*—Cairnesk, Nov. 9; Cairnglen, Nov. 23; Cairnross, Dec. 1—all Cairn-Thomson Line; Quaker City, Nov. 12; Cold Harbor, Dec. 10—both American Hampton Roads (do not call at Newcastle).

*To Antwerp.*—Beaverburn, Canadian Pacific, Dec. 18.

*To Hamburg.*—Quaker City, Nov. 12; Capulin, Nov. 26—both American Hampton Roads; Beaverburn, Canadian Pacific, Dec. 18.

*To Copenhagen and Baltic Ports.*—Pilsudski, Nov. 30; Batory, Dec. 14—both Gdynia-America Line (call at Gdynia).

*To Gothenburg.*—Drottningholm, Nov. 21; Gripsholm, Dec. 10—both Swedish-America Line.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Amherst, Nov. 9; Fort Townsend, Nov. 16—both Furness-Red Cross Line; Kongshaug, Newfoundland-Canada SS. Ltd., Nov. 16; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Nov. 18; Newfoundland, Nov. 14; Nova Scotia, Nov. 28—both Furness Line (do not call at St. Pierre).

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, Nov. 19; Lady Drake, Dec. 3; Lady Nelson, Dec. 17—all Canadian National.

*To Santiago (Cuba) and Kingston (Jamaica).*—Ciss, Pickford & Black Ltd., Nov. 18.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Chomedy, Nov. 16; Cornwallis, Nov. 29; Colborne, Dec. 12—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Lady Rodney, Nov. 26; Caveller (does not call at Hamilton or Nassau), Dec. 3; Lady Somers, Dec. 10—all Canadian National.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Siamese Prince, Nov. 21; Silverwalnut, Dec. 5—both Silver-Prince Line.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Armada, Montreal-Australia-New Zealand Line, Dec. 28.

*To Auckland, Wellington, Lyttelton and Dunedin.*—Canadian Highlander, Montreal-Australia-New Zealand Line, Dec. 21.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, Nov. 18; Hiye Maru, Dec. 5; Heian Maru, Dec. 26—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Japan (calls Honolulu), Nov. 14; Empress of Asia (calls Nagasaki), Nov. 27; Empress of Canada (calls Honolulu), Dec. 12; Empress of Russia (calls Nagasaki), Dec. 18—all Canadian Pacific; Talthybius (calls at Miike but not at Manila), Blue Funnel Line, Nov. 22.

*To Tsingtao and Dairen.*—Harpasa, Ocean Shipping Co., early November.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Silveray, Silver-Java Pacific Line, Nov. 30.

*To Honolulu, Suva, Auckland and Sydney.*—Niagara, Dec. 2; Aorangi, Dec. 30—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Cloud (calls at Lyttelton and Dunedin if sufficient cargo offered), Oceanic and Oriental Navigation Co., Dec. 20.

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Limerick (calls at New Plymouth and Bluff), Nov. 25; Hauraki (calls at Papeete), Dec. 31—both Canadian-Australasian Line.

*To Papeete, Beauty Point, Melbourne and Sydney.*—Cape Horn, Canadian-Australasian Line, Nov. 23.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Tolken, Nov. 12; Anten, Dec. 14—both Empire Shipping Co.

*To Sydney, Melbourne and Adelaide.*—Wearpool, November; Uganda, November; Induna, November; Bolton Hall, November-December—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Drehtdyk (calls at Glasgow), Nov. 14; Nebraska, Nov. 28; Damsterdyk (calls at Glasgow), Dec. 12—all Holland-America Line.

*To London, Liverpool and Cardiff.*—A steamer, Reardon Smith Line, November.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—Wyoming, Nov. 10; San Antonio, Nov. 26; Oregon, Dec. 10—all Empire Shipping Co.

*To Scandinavian Ports.*—Annie Johnson, Nov. 9; Argentina, Nov. 19; Canada, Dec. 7—all Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Leme, Dec. 5; Fella, Dec. 31—both Empire Shipping Co.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., November.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Silverpalm, Silver-Java Pacific Line, Dec. 5.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Hoyanger, Nov. 27; a steamer, Dec. 28—both Empire Shipping Co.

### From New Westminster

*To United Kingdom Ports.*—Jersey, Nov. 14; Queen City, Nov. 25—both Seaboard Shipping Co.; Vernon City, Reardon Smith Lines, Nov. 29.

*To Havre, Rotterdam, Liverpool and Glasgow.*—Washington Express, B. W. Greer & Son Ltd., Nov. 10.

*To London and Liverpool.*—Fresno Star, Nov. 10; Gaelic Star, Nov. 25; Ionic Star, Dec. 7; Viking Star, Dec. 12; Albion Star, Dec. 21—all American Mail Lines Ltd. (call at Glasgow, Rotterdam and Newcastle); Barrhill (does not call at Liverpool), Seaboard Shipping Co., Nov. 12; Parthenia, Nov. 15; Corrientes, Nov. 28; Gracia, Dec. 12—all Balfour Guthrie & Co. (call at Glasgow); Drehtdyk, Nov. 15; Nietheroy, Nov. 29; Damsterdyk, Dec. 12; Lochgoil, Dec. 26—all Royal Mail Lines Ltd. (call at Glasgow, Southampton and Rotterdam); Lauritz Swensen (calls at Hull and Oslo), Anglo-Canadian Shipping Co., Nov. 19; Pacific Exporter (calls at Glasgow and Manchester), Furness Line Ltd., Nov. 18.

*To Yokohama, Kobe, Miike, Shanghai and Hongkong.*—Talthybius, Dodwell & Co. Ltd., Nov. 14.

*To Chinese Ports.*—Harpagon, Ocean Shipping Co., Nov. 15.

*To Manila and Iloilo.*—Silver Ray, late November; Hopecrest, late December—both Dingwall Cotts Co.

*To Austalian Ports.*—Limerick (calls at New Zealand ports), Canadian-Australasian Line, Nov. 15; Hayo Maru, Anglo-Canadian Shipping Co., Nov. 15.

*To South African Ports.*—Siartar, Dingwall Cotts & Co., Nov. 15.

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### MISCELLANEOUS

- Annual Report of the Department of Trade and Commerce. (Price 25 cents.)
- Annual Report of the Board of Grain Commissioners for Canada. (Price 25 cents.)
- Annual Report of the Electricity and Gas Inspection Services. (Price 10 cents.)
- Annual Report of the Weights and Measures Inspection Service. (Price 10 cents.)
- Annual Report of Dominion Grain Research Laboratory. (Price 10 cents.)
- List of Licensed Elevators, etc. (Price 50 cents.)
- Motion Pictures, Catalogue of. (Price 25 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

NOTE.—Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. Although subscribers to the Commercial Intelligence Journal are entitled to receive such reports free of charge, in all other cases their distribution is controlled by the King's Printer, who fixes a price therefor as indicated in the following list:—

- Commercial Intelligence Journal Weekly (in English and French), containing Reports of Trade Commissioners and other Commercial Information. Annual Subscription: In Canada, \$1; single copies, 5 cents. Outside Canada, \$3.50; single copies, 10 cents.
- Australian Market for Fish Products (1931).
- French-Canadian Homespun Industry.
- Greece as a Market (1931). (Price 25 cents.)
- Invoice Requirements: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.
- Map of the World showing Trade Routes. (1930 Edition.)
- Markets of Central America (1929). (Price 25 cents.)
- Points for Exporters: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.
- Sweden as a Market for Canadian Products (1928). (Price 25 cents.)
- Switzerland as a Market (1929). (Price 25 cents.)
- Trade of the African Sub-Continent (1928). (Price 25 cents.)
- Trade Possibilities of the Baltic States (1929). (Price 25 cents.)
- Trading with Colombia and Venezuela (1928). (Price 25 cents.)
- Jugoslavia as a Market (1930). (Price 25 cents.)

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:  
Census of Canada.

Miscellaneous Statistics respecting the following: Business; Education; Employment; Finances (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces.

Canada, 1936. (Price 25 cents.)

Canada Year Book. (Price \$1.50).

Report of the Dominion Statistician, Annual. (Price 10 cents.)

Trade (External), (Imports and Exports)—Annual Reports: Fiscal Year (price \$3), Calendar Year (price 50 cents); Quarterly Report (price \$2 per annum); Monthly Report (price \$1 per annum.)

Trade (Internal)—Retail and Wholesale Trade. Capital Movements and Balance of Payments, Prices and Cost of Living. (Price 50c. per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*  
*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

**ACTING TRADE COMMISSIONER**, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. (Territory covers Central China, North China, and Manchuria.) *Cable address, Canadian.*

### Cuba

E. L. McCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

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**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

Mr. Doe  
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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LV

Ottawa, November 14, 1936

No. 1711



Advertising on the Train Indicators in the Principal Stations  
in Edinburgh. (See p. 912)

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LV

Ottawa, November 14, 1936

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## AGREEMENTS BETWEEN CANADA AND GERMANY

The text of the Provisional Trade Agreement and Payments Agreement between Canada and Germany, which was signed at Ottawa on October 26, 1936, together with the explanatory statement on the Agreements that appeared in *Commercial Intelligence Journal* No. 1709 (October 31), has been reprinted in pamphlet form. Copies of this publication may be obtained free of charge by interested Canadian institutions and firms on application to the Department of Trade and Commerce, Ottawa.

## POTATO MARKET SITUATION IN CUBA

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

(Seed in barrels of 150 pounds; edible in bags of 100 pounds)

Havana, October 26, 1936.—Normally, Canada supplies from 92 to 93 per cent of the seed potatoes planted in Cuba, and the United States the remainder. During the 1935-36 planting season (October to February) the 126,000 barrels seeded produced 970,000 bags of edible potatoes. Early estimates for the present season, which began in October, the second planting to begin in January, placed requirements at 150,000 barrels. However, this year's higher prices may have an adverse effect on imports.

During the first week of October, c.i.f. Havana prices were as follows: red seed, \$3.75 a barrel; Grade 1 white edible, \$2.40 to \$2.45; and Grade 2 white edible, \$1.60 to \$1.70 a bag. These prices have risen to \$5 to \$5.50, \$2.50, and \$1.70 to \$2.50, respectively. The cost to the grower follows: red seed, first week of October, \$4 to \$5; present cost, \$6 to \$7, as against \$4 to \$4.50 last year.

The annual consumption of edible potatoes in Cuba is approximately 1,700,000 bags. Assuming that the quantity of seed likely to be imported has been accurately estimated, national production should be 1,350,000 bags, leaving a shortage of 350,000 bags which will have to be imported from the United States.

## DUTIES

Seed potatoes from all countries: free. Edible potatoes imported from July 1 to October 31, inclusive, pay duties per 100 kilograms as follows: United States product, \$2; minimum tariff, \$4; maximum tariff, \$8; from November 1 to June 30, inclusive, per 100 kilograms: from the United States, \$4; minimum tariff, \$5; maximum tariff, \$10. Canada is now under the maximum tariff.

## RETAIL DISTRIBUTION AND CONSUMPTION

White potatoes from the United States dominate the retail market at this time of year. The supplies of Cuban white Irish Cobbler and Green Mountain lasted until early in September. There are some red Bliss Triumph of the first Cuban crop still for sale, drawn from a carry-over stock kept in cold storage.

Consumers pay  $4\frac{1}{2}$  to 5 cents a pound for United States white and Cuban red potatoes. They are uniform in size, numbering about four to the pound, and of good quality. The "small," which are picked out, sell at a cent less. Four months ago the Cuban varieties retailed at from  $2\frac{1}{2}$  to 4 cents a pound, according to size and quality.

The Cuban potatoes, planted almost entirely from Canadian seed, are protected from November to June inclusive by increased duties, which are lowered during July to October, as explained under the heading "Duties." There are enough imported from the United States during September and October, however, to last well into the period immediately following the first of January, when Cuban new potatoes begin to arrive on the market.

Retail sales during the next twelve months are expected to be about 1,700,000 bags. This is the same as last year's figure, but only a little over one-half the quantity sold in 1929. This unfavourable comparison with the peak of pre-depression times is principally due to the unsatisfactory economic situation. The majority of the Cuban people are still in greatly reduced circumstances, and while potato prices remain at  $4\frac{1}{2}$  cents a pound they are a luxury beyond the means of the average family, and cannot be included as a staple part of the diet. Prior to the period of depression, the employed working class ate potatoes daily: now they cannot afford them more than three times a week. Other cheaper tubers of the country are substituted, such as the yuca, yam, arum, and sweet potato.

#### NATIONAL PRODUCTION

Based on the imports and production of the last few years, it may be expected that 80 per cent of the demand for edible potatoes will be supplied this year from Cuban crops, as compared with 35 per cent in 1929. Requirements are estimated to comprise 1,350,000 bags of the national product, and 350,000 bags to be imported from the United States.

The area to be planted for the two 1936 crops will cover 150,000 cordeles (approximately 15,300 acres); 75 per cent of the cultivation will take place in the district known as the Mayabeque River Valley, 30 miles south of Havana city. This is the finest section of the island for the growing of potatoes, tomatoes, eggplant, peppers, lima beans, and many other vegetables, as well as fruits. Its chief town is Güines. Here the farmer has obtained his best results with red Bliss Triumph, the average yield being 7 to 1 of seed.

The bulk of this seed is planted from the middle of October to the middle of December, harvesting beginning early in January; some of it is reserved for the second seeding, which begins in January and is harvested during April and May. The harvests of Irish Cobbler and Green Mountain have not been so abundant, especially during the last two years, having averaged not more than 4 to 1 of seed. Two-thirds of the potatoes used for seed are red Bliss Triumph.

#### FERTILIZING

The land has to be irrigated, and improved by fertilization. The principal fertilizers obtainable in adequate quantities are of the chemical or artificial variety. They are supplied by agricultural chemical companies which import the materials from abroad, chiefly from the United States, Chile, and Germany. These companies also utilize by-products from Cuban meat-packing establishments.

Fertilizers are sold either mixed or unmixed—that is, the potato grower may buy from the fertilizer company any one of sulphate of ammonia, nitrate of soda, superphosphate, bone meal, etc., separately, or all of them, if he so desires. The mixed product is designated by three figures under the title of analysis, and written thus: 4-6-5. These figures indicate, in the order named, the number of units of nitrogen, phosphorus, and potash salts. The proportions are based

on the special needs of the soil. The amount of fertilizer required in the Mayabeque Valley is one bag of 200 pounds for each 150-pound barrel of seed. This fertilizer costs from \$3.20 to \$4 a bag, depending upon whether the farmer pays at the time of purchase, or not until he has harvested and sold his crop. The quantity of fertilizer actually employed by the farmer is less than half the amount recommended by the fertilizer companies and by the potato experts of the Department of Agriculture. Few farmers can afford to buy fertilizer except in very small quantities. Where the full amount recommended is used, returns of 12 to 1 of seed are not uncommon.

#### CUBAN DEPARTMENT OF AGRICULTURE'S ASSISTANCE TO GROWERS

The Cuban Department of Agriculture, during recent years, has been keeping careful records of production, and is in a position to give advice as to the seed best suited to each district. Soils are analyzed and the proper fertilizers and insecticides suggested. Ninety per cent of the land employed for the cultivation of potatoes in Cuba consists of what is known as "Matanzas clay," which is a red soil found more or less abundantly in the four central provinces. The remaining 10 per cent is represented by "Havana clay," which is a light brown, gravelly soil. These soils are slightly acid (not alkaline), and therefore do not produce common scab. Tests have demonstrated that those containing approximately 5.3 pH will give the largest yield, and at the same time the lowest percentage of potatoes afflicted with scab. fertilizer and irrigation treatment being equal.

#### COST OF PRODUCTION

Potato lands are rented at \$50 to \$100 per caballería of 324 cordeles (33.2 acres). Only 40 per cent of the low-price land can be utilized, whereas 80 per cent of the better quality is productive. An average may be taken of \$75 rent for 200 cordeles of producing soil. The land is devoted to potato-growing for eight months of the year, therefore the proportional rent assigned to potatoes can be placed at \$50. One cordel requires one barrel of seed potatoes for each of the two plantings, or 400 barrels of seed for the 200 cordeles. On this basis, the proportional rent applicable to each barrel of seed would be 12½ cents.

The cost of growing and marketing potatoes in the Güines area includes rent of the land, cost of labour, seed, fertilizer, irrigation, insecticides, farm implements, jute bags, trucking to Havana market, and commission. In the case of white seed, total plantings last year showed a decided loss and only a few farmers, comparatively speaking, made a profit. Due to this fact, white seed is not popular and a relatively small amount will be imported for the second planting next January.

#### GOVERNMENT SUPERVISION OF SEED IMPORTS

Imports of seed potatoes are regulated by the Department of Agriculture to prevent their sale as edible potatoes. The first-mentioned are duty free; the latter are not.

To prevent the introduction of the disease known as "potato wart," seed potatoes may be imported only from Canada, the United States, the Bermudas, and the Canary Islands. Entry of the seed is restricted to those ports where proper inspection service is maintained. Importers are required to secure an import permit whereon the origin of the seed, variety, quantity, port of shipment and port of entry must be stated.

In order to clear the potatoes through customs, on arrival, the importer has to present to the Department of Agriculture a certificate from competent authority of the country of origin, stating that the potatoes comprising the shipment have been produced under the supervision of the proper officials of

the district. A Cuban consular invoice is required, on which it is necessary to state the price of the seed, freight charges, and insurance. Having found these documents to be in order, the Department of Agriculture authorizes its Vegetable Health Branch to inspect the shipment, as a clean bill of health must be certified to.

The importer, while soliciting entry of his shipment of seed potatoes from the Department of Agriculture, is at the same time negotiating with the customs authorities. He is required to deposit an amount equal to the duties payable on edible potatoes. This deposit will be forfeited if it is proved later on that, instead of having been planted, the potatoes were sold for consumption.

#### METHOD OF CHECKING SEED IMPORTS

The Cuban Army assists in checking up on the use to which a shipment of potatoes declared as seed is put. The importer is required to declare, within a period of five days, each sale of seed potatoes. His declaration includes a certificate from the farmer who has bought the seed, attested to by an official of the army post of the district. This certificate gives the dimensions of the field which has been prepared, and the amount of seed purchased for planting thereon. Additional information includes the name of the farmer making the purchase, and the address or location of the farm; the price paid for the seed by the farmer is also given.

Military headquarters of the district notifies the Department of Agriculture the amount of seed which has arrived at the farm in question, and that it will be planted under its supervision. When the seeding has been completed, the military post reports that, in accordance with the law, the number of barrels requested by the farmer as shown on the official documents has actually been planted.

When all this routine has been effected correctly and to the satisfaction of the customs authorities, the deposit made by the importer is returned to him.

### UNITED STATES MARKET FOR TURNIPS

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

New York, November 2, 1936.—Turnips shipped into the United States from Prince Edward Island and Ontario have commanded a premium for years over those of domestic origin. Canadian turnips, because of their fine flavour and appearance, have predominated on all the major wholesale markets of the Eastern United States within moderate shipping distance from the Dominion. Such turnips have passed through the usual channels of trade to consumption in hotels, restaurants, and in the homes of the public consumer. Domestic turnips, for the most part, have been sold on local farm markets or to factories, or have been transported by truck to nearby wholesale centres. They do not exercise a decisive influence, however, on the market prospects for Canadian turnips.

#### TARIFF DUTY

Up to January 1, 1936, a duty of 25 cents per 100 pounds was imposed on turnips imported from Canada. In 1933 imports from Canada amounted to 96,020,522 pounds valued at \$649,875, in 1934 to 88,415,202 pounds valued at \$651,215, in 1935 to 99,476,549 pounds valued at \$542,213, and (under the new duty of 12½ cents per 100 pounds) in the January-to-June period of 1936 to 58,883,649 pounds valued at \$365,122.

There are few shipments of turnips received from Newfoundland, but the quantity is small and they need not be considered in estimating the Canadian market prospects in the United States.

## PRICES

In the cities of New York and Boston, the two main consuming centres for Canadian turnips, Prince Edward Island turnips command the highest prices. During the season, which extends from September to the following April or May, opening prices are usually moderate in October, rising to a peak in November as the holiday season approaches, and as a rule rise again after the first of the year. This season prices quoted on the New York and Boston market for Prince Edward Island turnips have averaged about 50 cents per bag of 50 pounds ex wharf. Under date October 31, New York wholesale quotations listed Prince Edward Island turnips at 55 to 60 cents, and Ontario turnips at 50 to 60 cents. Dealers anticipate that the market will be comparable to last year—that is, peak prices will reach about 75 cents or more, and an average season price of about 60 cents per 50-pound bag should be realized.

## DISTRIBUTION

An analysis of car unloadings for 1935 shows that New York received 1,246 cars of turnips, consisting of 598 cars by rail and boat from Canada and 555 cars by truck from local sources. Boston received some 785 cars, of which 650 were by rail and boat from Prince Edward Island and 83 were trucked locally. Other cities were as follows: Newark, N.J., 622 cars, all from Canada; Chicago, 375 cars, 142 from Canada; Detroit, 92 cars, 82 from Canada; Philadelphia, 65 cars, all from Canada; Cleveland, 62 cars, 58 from Canada; Cincinnati, 45 cars, 43 from Canada; Pittsburgh, 43 cars, 41 from Canada; Washington, 13 cars, 8 from Canada; and Baltimore, 4 cars, all from Canada.

As shipping costs for turnips from Prince Edward Island to United States cities on the Atlantic seaboard are lower than those from Ontario, and in view of the preference (as expressed in price) for the Prince Edward Island product, it would appear advisable for every effort to be made by Ontario exporters to develop the more accessible markets of Chicago, Pittsburgh, and other interior points.

## SIZES

There is considerable variation in the sizes in demand in the various city wholesale markets. In New York and Pittsburgh large-sized turnips of 4 to 6 inches in diameter are preferred, in Boston medium sizes of 3 to 5, and in Philadelphia, Cleveland, and Baltimore turnips from 2½ to 3 inches. Turnips are sold usually in branded 50-pound bags.

## METHOD OF DISTRIBUTION

Turnips are received on the New York market on consignment or outright purchase. While there appears to be no set commission charge when turnips are received on consignment, it is believed that the charge of 2 cents per bag made by one of the most important firms in the trade may be regarded as a fair, if not representative, commission.

**ECONOMIC CONDITIONS IN SOUTH AFRICA, JULY TO SEPTEMBER**

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Cape Town, October 16, 1936.—Prosperous business conditions in the Union of South Africa were well maintained throughout the third quarter of the present year. The devaluation of the French franc has been welcomed by the gold mining industry, and the dispute between Australia and Japan has been followed by Japanese buyers of wool bidding up the price of South African wool to record figures—in fact, above world market prices.

The index of new motor cars registered, using 1928 as the basis of 1,000, continues its upward trend, having now reached an index figure for the month of

July of 1,833, representing a steady uninterrupted monthly increase of over three years.

Imports and exports, and Government revenues, continue to increase from month to month. There is every prospect that there will be another large surplus this year. The railways continue to prosper from the increased imports and exports, and the fruit industry is just completing another year's shipments with a substantial increase over last season's. The smaller wheat crop forecast and very much smaller maize crop this year are the two disturbing factors. In Johannesburg not only has that city prospered greatly as the result of the high price of gold, but the opening of the Empire Exhibition has resulted in a still greater influx of visitors from all parts of Africa and abroad. Indications at the present time are that the exhibition will be a great success.

#### GOVERNMENT FINANCES

The Government receipts on revenue account for the first six months of the fiscal year—that is, the period of April 1 to September 30—amounted to £18,725,000 as compared with £18,173,000 for the same period in 1935, or almost exactly half of the total revenue expected on the estimates for the entire year. When it is remembered, however, that the revenue from such large sources of income as mining taxation and the income tax are only received during the last three months of the year, it will be appreciated that the total receipts on revenue account by the end of the year will far exceed the estimates. Expenditure on revenue account for the first half year amounted to £18,853,000 as compared with £18,845,000; exactly half of that provided for in the estimates for the entire year. The budget surplus for the last fiscal year amounted to over £3,000,000, while the surplus for the present fiscal year will probably reach at least £2,500,000.

#### RAILWAYS AND HARBOURS

South African Railways and Harbours continue from month to month to reflect the prosperity of the country, and railway finances, like that of the Government, promise to show a substantial surplus at the end of the year. Revenue from April to the end of July showed an increase of over £850,000 compared with the same period in 1935, while the total surplus, before deducting special appropriations, was £2,075,000 as compared with £1,536,000 for the same period in 1935. Special appropriations, however, are being taken out of this surplus, such as large sums of money for the deficiency in pensions and superannuation funds; the creation of a fund for the equalization of freight rates; the writing off of large amounts out of capital account; the granting of a special bonus to railway employees and other special appropriations made as a result of having a large surplus, accounted in all for £1,800,000; but even with this there is still a surplus for the first four months of this fiscal year of £434,000, which, on the present basis, is likely to result in a net railway surplus of £1,250,000 for the year. The railways continue to be large purchasers of railway material, especially rolling stock.

Harbours and steamships also show a surplus, but airways register a deficit.

During the first seven months of 1936, 15,000 tourists and business representatives visited the Union, which compares with 7,000 during the corresponding period of last year, and with 9,000 for the whole of 1934. With the opening of the Empire Exhibition in Johannesburg in September, the number of overseas visitors by the end of the year will be much greater.

#### AGRICULTURE

Owing to drought in the maize-growing areas, there will be no maize available for export this year; the final official estimate of the crop is 14,798,500

bags of 200 pounds each. The 1936-37 wheat crop is expected to be considerably below that of last year, but due to the carry-over from last season of 1,500,000 bags of wheat, it is generally agreed that this will be sufficient to make up for the lower production this season, and it will not be necessary to import in 1937.

The latest estimate of the sugar crop is 422,590 pounds. During the quarter a new type of sugar was placed on the domestic market, known as Grade 2, and has been favourably received.

The condition of live stock generally remains favourable, although unprecedentedly cold weather in some parts of the Cape Province has resulted in a heavy loss of lambs.

One of the most favourable factors in the agricultural situation is wool. The Union's wool clip is estimated at about 260,000,000 pounds compared with 238,000,000 pounds last year, and the quality generally is regarded as good. Due to the trade difficulties previously referred to between Japan and Australia, the former is buying as much of her requirements as possible in the Union market, and prices have reached as high as 18½ pence per pound.

The export of deciduous fruit from November, 1935, to August, 1936, amounted to 4,580,000 cases, a considerable increase over the 3,431,000 cases for the corresponding period in 1934-35.

The export of citrus fruit for the present season—that is, April to August, 1936—shows increased shipments amounting to 1,642,000 boxes of citrus fruit as compared with 1,505,000 boxes during the same months in 1935.

The export of dried fruit from January to August of this year amounts to 14,733,000 pounds as compared with 10,632,000 pounds during the corresponding period of 1935.

Prospects for the approaching deciduous fruit season, with the exception of grapes, however, cannot be considered as likely to reach average proportions. The winter has been abnormally warm, and it is felt that this unseasonable weather will have a detrimental influence on pears, peaches, plums, and apples. A bumper crop of grapes, however, is expected.

### INDUSTRY

During the quarter the South African Iron & Steel Corporation, although only started in 1934—in which year it incurred a loss of £266,000—announced a net profit for its fiscal year of £500,000.

The gold mining industry for the first eight months of 1936 recovered 7,479,845 fine ounces with a value of £52,187,227, which compares with a production of 7,126,581 fine ounces with a value of £50,567,173 during the same period in 1935.

Building activity throughout the Union continues unabated. The total value of plans passed in municipal districts reached a record total in June of £2,082,000, and only slightly less during July and August.

The following abbreviated amounts will show how building plans passed and buildings completed have kept at a high level for the twelve months ending July 31:—

Building in Municipal Districts	Plans Passed		Buildings Completed	
	1936	1935	1936	1935
		Figures in £1,000		
July.. . . .	2,073	1,182	904	1,066
June.. . . .	2,082	1,288	1,299	774
May.. . . .	1,373	1,269	901	661
April.. . . .	1,809	1,026	998	795
March.. . . .	1,675	1,085	916	817
February.. . . .	1,397	1,070	951	990
January.. . . .	1,181	1,235	1,338	881

Building in Municipal Districts	Plans Passed		Buildings Completed	
	1935	1934	1935	1934
		Figures in £1,000		
December . . . . .	1,402	970	935	716
November . . . . .	1,614	1,116	1,023	787
October . . . . .	1,230	1,385	910	710
September . . . . .	1,687	1,138	1,080	608
August . . . . .	1,571	987	1,019	591
Twelve months ending July 31 . . .	19,134	13,751	12,274	9,396
Increase per cent. . . . .		39		30

Cement companies have profited enormously. The market value of their shares has reached all-time record figures and dividends on capital have been paid ranging from 52 per cent to 354 per cent. In view of the fact that it is sometimes many weeks before construction begins on building plans that have been passed, there is every reason for assuming that the present construction "boom" will continue throughout the country for at least the balance of the year.

### IMPORTS AND EXPORTS

The preliminary trade returns for the first eight months of 1936 show imports valued at £55,887,000 as compared with £48,576,000 for the similar period in 1935, and exports (including gold) valued at £77,167,000 as compared with £62,984,000. The increase in exports is, of course, accounted for almost entirely through the export of gold.

The increased imports have taken place under practically every heading. Some of the larger increases are in the classifications of iron and steel manufactures, motor cars, oils, and textiles and apparel. All of the Government imports show large increases over 1935.

Exports from South Africa to Canada during the six months ending June were valued at £64,908 as compared with £234,595 for the similar period in 1935. Imports from Canada for the first six months of 1936 were valued at £1,363,000 and accounted for 3.6 per cent of South Africa's total imports. These figures compare with imports from Canada for the similar period in 1935 of £1,166,000 or 3.5 per cent of South Africa's total imports. In other words, Canada has increased her exports to the Union of South Africa both in value and on a percentage basis over 1935.

### "CANADA CALLING BRITAIN" PUBLICITY CAMPAIGN

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, October 20, 1936.—The "Canada Calling Britain" Campaign, recently announced by the Canadian High Commissioner in London, was launched in Glasgow on October 13, when over 2,500 grocers' and fruiterers' shops in Glasgow and district began the display of Canadian goods, while posters of striking design bearing the slogan "Canada Calling Glasgow," which are attracting much public attention, were displayed on hoardings and editorial and display advertising appeared in the press. Aeroplanes flew overhead trailing the messages "Canada Calling Glasgow" and "Buy Canadian Products." At the same time there was a Canadian exhibit at the Housing and Health Exhibition in Kelvin Hall.

The drive to increase the sale of Canadian goods in Glasgow will be followed by campaigns in other large consuming areas such as Liverpool and South Wales, and a similar campaign is planned for London at a later date. The object is to secure concentrated advertising for Canadian products on a planned basis and the slogan "Canada Calling" has been chosen in order that feelings of intimate personal contact between the Dominion and given localities may be established. Prior to each of the campaigns, retailers will be canvassed and assisted in displaying Canadian goods.

#### AREAS OF THE CAMPAIGN

At a luncheon inaugurating the campaign in Glasgow, the Hon. Vincent Massey, Canadian High Commissioner in the United Kingdom, was the guest of the Glasgow Chamber of Commerce, where were assembled some 400 representatives of trading interests, and the occasion was given a significant send-off by a transatlantic telephone conversation between the Lord Provost of Glasgow and the Minister of Trade and Commerce, the Hon. W. D. Euler, M.P., in Ottawa, which was amplified to the listening audience, and received with enthusiasm.

The campaign was carried to Edinburgh on October 19, when there was a transatlantic message from Ottawa from the Hon. Ian Mackenzie, M.P., Canadian Minister of National Defence, and will go to Liverpool on November 3, where it coincides with the Imperial Fruit Show, and Canadian apples will be a striking feature. On this occasion there will be a transatlantic message from the Hon. J. L. Ilsley, M.P., Canadian Minister of National Revenue.

#### BENEFITS OF THE CAMPAIGN

Already the effects of the campaign have been noted in the increased sale of Canadian goods, and on October 17 the *Glasgow Herald* reports:—

Wholesale prices in Glasgow are from 2s. 6d. to 3s. 6d. higher than last year's per 40-pound case, which means an increase of roughly 1d. per pound. Canada's advertising enterprise is having its reward. This week ends with not a single Canadian apple left on wholesalers' hands, and the cargo due in the Clyde on Monday is already booked.

Similar reports have been received regarding the effect upon the sale of cheese.

#### RESPONSIBILITY OF EXPORTERS AND AGENTS

The problem now arises as to how the efforts at present being made, with the co-operation of Canadian Trade Commissioners in the United Kingdom, can be adequately supported by Canadian export interests, as it is necessary for the new trading opportunities to be followed up by all those agencies in Canada and the United Kingdom directly or indirectly connected with the production, packing, distribution, and marketing of Canadian products. Consequently there is urgent need for the fullest co-operation on the part of those who expect to benefit from the campaign, as the continuity and expansion of trade in the various areas to which the campaign will be carried must obviously depend upon Canadian exporters or their selling organizations as no permanent increase in business can be expected without continued effort on the part of the traders concerned. Otherwise there may result a demand for Canadian products which cannot be met, and this would react prejudicially upon future sales.

## UNITED KINGDOM TOBACCO STATISTICS

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

London, October 21, 1936.—The returns just issued show an increase of nearly 7,000,000 pounds in the quantity of tobacco cleared for home consumption in the United Kingdom for the first eight months of 1936 (January to August) as compared with a year ago. The figures are as follows:—

	Jan.-Aug. 1936	Jan.-Aug. 1935
	Lbs.	Lbs.
United States.. . . .	84,120,792	80,161,997
Canada.. . . .	5,925,745	5,518,883
Southern Rhodesia.. . . .	7,316,873	6,347,491
Nyasaland.. . . .	8,169,793	8,017,312
British India.. . . .	7,439,570	6,416,954
Other countries.. . . .	1,071,703	1,145,283
Total.. . . .	114,044,476	107,607,920

This increase is probably indicative of the continued expansion of tobacco consumption which, even despite the improvement of the past few years, shows no immediate prospect of reaching the point of saturation. This continued increase in the use of tobacco is attributed to the large numbers of young men reaching the age when the habit is usually commenced. Besides this, impetus is being given to greater tobacco consumption by the continued period of industrial prosperity in Great Britain.

### EMPIRE PERCENTAGE

As was anticipated earlier in the year, the clearances for home consumption of Empire tobacco continue to run somewhat above the figures for a year ago. The average proportion of Empire tobacco to all other tobaccos used in the United Kingdom in 1935 was 22.06 per cent. For the first eight months of the present year the figures average 22.78 per cent. In quantity, the increase represents 2,477,761 pounds. During the January-August period, 1935, consumption totalled 27,445,923 pounds, whereas for the same period in 1936 it amounted to 29,923,684 pounds. Provided this increase continues throughout the remainder of the year, the result should be satisfactory to Empire growers. As regards individual countries, it will have been seen from the above table that practically all Empire tobaccos shared in the increase. The quantity of Canadian tobacco, for example, rose from 5,518,883 pounds to 5,925,745 pounds.

### IMPORTS, JANUARY TO SEPTEMBER

At the same time the imports of tobacco during the period rose substantially. As figures of imports are now available to the period ending September 30, they will be used. During the nine months period (January-September, 1936) imports reached 153,620,205 pounds from all countries as compared with 128,345,368 pounds in 1935. Imports from the United States were 108,723,091 pounds as against 90,805,729 pounds in 1935. This is indicative of the buying which took place in the United States after the last crop as well as the substantial purchases made during the late spring, when it was evident that the 1936 crop was likely to be affected by drought and adverse weather conditions. As is now well known, the large stocks of leaf carried over in the United States from the 1935 crop were rapidly bought by manufacturers.

### IMPORTS FROM CANADA

Imports from Canada during the first nine months of this year totalled 8,143,633 pounds as compared with 6,194,196 pounds for the same period last year. The excellent and large crop of flue-cured in Canada in 1935 was well

regarded by United Kingdom manufacturers and heavier purchases resulted. This tobacco is now reaching Great Britain. It is anticipated that by the end of 1936 the total quantity imported from the Dominion will be greater than for a number of years past.

It is therefore thought that all large United Kingdom manufacturers are now well stocked with Canadian tobacco and will not be under any pressure as a result of the adverse crop situation this year. This may be fortunate, for it should allow the smaller firms which are now commencing to employ Canadian leaf regularly in their blends to obtain their current supplies to replenish the normally smaller stocks which they carry.

#### IMPORTS FROM OTHER EMPIRE SOURCES

On the other hand, during the period under review imports from Southern Rhodesia have declined slightly to 10,785,255 pounds from 11,188,854 pounds in 1935. In 1936 the crop of Rhodesian tobacco totalled only about 18,000,000 pounds, of which about 14,000,000 pounds were earmarked for the British market. This quantity sold readily, according to reports, and the auction floor method of selling which was first adopted in Salisbury this season worked very well. Leaf merchants appear to be quite satisfied with the organization, and while prices on the average showed little improvement over a year ago, it is understood they were not entirely disappointing.

Nyasaland shipments, mostly of dark-fired tobaccos, improved in the period and totalled 9,803,928 pounds in 1936, as against 7,065,517 pounds in 1935. It is understood that this increase of Nyasaland shipments is the result of a definite objective of building up the reserves held in London to a more satisfactory basis. There is no confirmation of this, however, and the suggestion would appear to carry little weight in view of the already substantial stocks on hand in the United Kingdom.

Imports from India have also risen during the January-to-September period of 1936 to 10,863,656 pounds, from 9,652,406 pounds in 1935.

#### STATISTICAL SUMMARY

Unfortunately figures are not yet available which show the United Kingdom imports of tobacco by types from leading countries. The general division into light and dark tobaccos by Empire and foreign sources is, however, helpful in showing the persistent rise in the use of flue-cured tobacco imported from Empire countries. The complete figures for the first nine months of 1934, 1935 and 1936, are as follows:—

	1934 Lbs.	1935 Lbs.	1936 Lbs.
British Bright.. . . .	21,301,931	19,140,441	23,771,406
Dark.. . . .	14,860,049	15,662,599	16,776,257
Foreign Bright.. . . .	101,454,110	84,828,099	105,838,750
Dark.. . . .	5,451,521	8,714,229	7,243,792

#### STOCKS ON HAND

The stocks of tobacco on hand in the United Kingdom on August 31, 1936, as compared with a year ago, were as shown below:—

	On Hand in Bond Aug. 31, 1936 Lbs.	Aug. 31, 1935 Lbs.	No. of Years' Stock Based On Deliver- ies in 1935
Nyasaland.. . . .	28,391,350	28,360,118	2½
Rhodesia.. . . .	27,811,708	25,565,754	2½
British India.. . . .	27,426,142	25,959,840	2½
Canada.. . . .	16,662,095	17,077,846	1½
Total all countries.. . .	425,704,000	375,238,000	

## THE INDIAN MARKET: POINTS FOR EXPORTERS

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

### IV. Packing; Marking; Trade-marks, etc.

#### PACKING

This subject deserves much more attention than unfortunately is given it, particularly for the Indian market, and especially where Canadian exporters of the class of goods referred to in this report are concerned.

The climate of India is one which causes many products to deteriorate rapidly. Imported cigarettes, for instance, must be packed in vacuum-sealed tins, razor blades in cellophane-wrapped packages, jelly powders in specially prepared double moisture-proof bags enclosed in cardboard cartons which are wrapped in cellophane, shaving soap in tubes that are lead-sealed in addition to the ordinary screw cap. The climate is hot and humid over the greater part of the year and throughout the country generally. Temperatures and humidity are more often than not far higher than in some other countries located closer to the Equator, so that packing which may have proven successful there may not necessarily prove to be so in India.

As regards outside packing, the usual for export shipments is sufficient, but here again Canadian exporters must give more heed. Many seem inclined to use the same as for domestic shipments, particularly of the light cardboard carton type, which is absolutely useless in making shipments to India. Experience has shown that invariably the packages have arrived in such a condition that the goods or contents have been in many cases almost unsaleable as first-class merchandise.

#### MARKING

The Indian Merchandise Marks Act, which is rigidly enforced, assumes that the English language is the language of the United Kingdom only, and the appearance of any marks in that language on merchandise is taken to imply that the goods are products of the United Kingdom. It is therefore necessary, where any words or trade-marks appear in English on merchandise not made in that country, to offset them by a counter-mark of origin which is provided for in the act by such words as "Made in Canada." If no English words or trade-marks appear on the merchandise, then it is not necessary to do so. It is important that the provisions of this act be complied with as merchandise not properly marked is subject to confiscation by the Customs and renders the importer liable to a fine.

In addition to conforming to the official regulations, due care should be given to the proper marking and labelling of goods on the grounds of imitation and fraud; also to render them easily distinguishable by purchasers: servants and the lower classes generally, who invariably purchase on the mark or label. A good trade-mark is a valuable asset in India.

#### TRADE-MARKS

The Trade Marks Act of India does not, unlike that of Canada, provide for registration. In case of infringement the right to the trade-mark depends upon the proving of priority of use in India. It is possible to (what may be termed) "register" the mark with the official Government registrar. But that action does not in itself assure complete protection, as it is not possible to search the register and the mark may at some prior date have been in use in the country

unknown to the exporter now going to use it in India. To so "register" will, however, perhaps at a later date prove useful in establishing priority to its use. It is therefore usual to advertise the mark in various papers and periodicals stating ownership, intention to use the mark in connection with particular merchandise, and a warning as to infringement or fraudulent use thereof. The cost is negligible—approximately Rs.70—but it is when court action is necessary to protect the mark that the charges accrue.

#### INDUCING THE CONSUMER TO BUY

When the merchandise has been sold to the importer, it still very much concerns the manufacturer or exporter to see that it moves and is kept moving along the various channels of distribution to the consumer. This means advertising or some other type of publicity to create a consumer demand.

The wholesaler who stocks the merchandise will in all probability be an Indian with little knowledge or interest in modern merchandising methods, and he is likely to keep the goods in stock until they are asked for by a customer unless he (the wholesaler) happens to be an exclusive distributor or is given some inducement to feature it. There are some lines which sell more or less automatically because of an established reputation, constant demand, or some inherent quality, but the movement of the majority of the products under consideration can only be accelerated from wholesaler to consumer by the manufacturer who advertises or assists by some other means.

These means may be by building up goodwill among the wholesalers who are then pleased to stock the merchandise, or it may be by protecting all wholesalers or "stockists," as they are termed in India, against any price decline.

The policy of selling direct to retailers is one to be decided by the manufacturer alone, who will doubtless receive many requests to do so in the hope that they (the retailers) can purchase more cheaply. But in India, where distances are great and the orders small, it is doubtful if the manufacturer is well advised in attempting to sell direct to the smaller accounts. It is most desirable that the manufacturer should through his agent or representative in India create an interest in his merchandise among retailers, but it is found from experience that the best method is to refer all such small orders to the wholesaler or importer for execution. Reference has already been made to the large retailers who import direct, the foregoing remarks applying only to the small retail stores.

#### CO-OPERATION OF MANUFACTURER AND/OR EXPORTER

Canadian manufacturers and/or exporters who desire to fully develop the Indian market must be prepared to learn, to sympathize, and fully co-operate with not only the agent or representative but also with the wholesaler or importer, the large retailers or institutions which import direct, and the smaller retailers. Each has its own point of view and good reasons for it. Canadian exporters must remember that methods used in the Canadian market, and in many other export markets, are not always suited to India, where there are many peculiar customs: what is true of other export markets is not necessarily true of India. The manufacturer desirous of selling his products in India, which offers a growing market for the types mentioned in this report, must take into consideration the peculiarities of the country and be prepared to adjust his export policy to suit those conditions. It is useless to attempt to alter the conditions to suit the policy.

## TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in Canada in the interest of Canadian trade with their respective territories: Mr. G. B. Johnson, Glasgow; Mr. Frederick Palmer, Bristol (whose territory includes the West of England, South Wales, and South Midlands); and Mr. R. P. Bower, who was Acting Trade Commissioner at Batavia, Java.

Their itineraries are as follows:—

### Mr. Johnson

Toronto and district..	Nov. 16 to 18	Guelph ..	Dec. 5
Hamilton and district ..	Nov. 19 and 20	Brampton ..	Dec. 5
Brantford, Simcoe. . .	Nov. 21	Montreal and district. .	Dec. 7 to 22
St. Catharines. . . .	Nov. 23	Granby ..	Dec. 23
Niagara Falls, Fort Erie.	Nov. 24	Quebec, Thetford Mines.	Jan. 6
London, Woodstock ..	Nov. 25 and 26	Fredericton and District.	Jan. 8
Windsor and district. .	Nov. 27 and 28	St. John. . . . .	Jan. 9 to 12
Stratford and district ..	Nov. 30 and Dec. 1	Bridgetown. . . . .	Jan. 13
Kitchener and district ..	Dec. 2 to 4	Halifax, Sunnybrae ..	Jan. 14 and 15

### Mr. Palmer

Vancouver, New West-		Ottawa ..	Nov. 27
minster ..	Nov. 18	Fredericton ..	Nov. 30
Victoria and district. .	Nov. 19 and 20	St. John. . . . .	Dec. 1 and 2
Edmonton ..	Nov. 23	Yarmouth ..	Dec. 3
Saskatoon ..	Nov. 24	Bridgetown and Kentville	Dec. 4 and 5
Winnipeg ..	Nov. 25	Halifax ..	Dec. 7

### Mr. Bower

Vancouver. . . . .	Nov. 16 to 28	Victoria. . . . .	Dec. 1
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Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Winnipeg, Edmonton, Vancouver, and Victoria, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## CANNED MILK PRODUCTS IN HONGKONG AND SOUTH CHINA

K. F. NOBLE, ACTING TRADE COMMISSIONER

Hongkong, September 30, 1936.—The dairy industry is not important in Hongkong and it is non-existent in the adjacent territories of South China. Such of the people as are interested in milk and milk products are dependent on tinned and powdered supplies which are imported through the colony of Hongkong.

In the Hongkong trade and shipping returns no separation of the milk items is attempted; the entrepôt nature of Hongkong's trade tends to confuse statistics, since re-export sales are normally for delivery in Hongkong.

The annual trade in fluid milk products in tins has remained at approximately Can.\$1,000,000, being HK\$3,172,757 (Can.\$950,000) for 1933, HK\$2,536,203 (Can.\$1,090,000) for 1934, and HK\$2,053,538 (Can.\$1,160,000) for 1935.

The values of imports for the consolidated item covering sweetened and unsweetened whole cream milk, sweetened condensed skim-milk, evaporated milk and tinned table cream are given herewith by countries of origin for the years 1935 and 1934:—

	Countries	1935	1934
		HK\$	HK\$
Total ..		2,053,538	2,536,203
Holland ..		1,635,805	2,275,443
United States ..		196,971	100,326
Japan ..		109,090	12,804
Canada ..		49,325	57,176
Denmark ..		15,706	1,355
Switzerland ..		2,840	48,976

Despite the roughly stable annual value of these imports, the trade, particularly in condensed and evaporated milks is unstable, owing to the by-product nature of these packs, which comprise a greater proportion of the aggregate import values.

The spasmodic appearance of dumped cargo, though in the aggregate comprising not over 5 per cent of the turnover, unsettles the market and results in a price-cutting, disastrous alike to the importer, distributor, and retailer, which is out of all proportion to the importance of the incidence.

The instability of price inherent in a by-product trade has been again emphasized in the last few months by the disorganization arising from one supplier of evaporated milk temporarily reducing quotations by 50 cents gold. Although a single sale of 400 cases resulted, the only lasting consequence was competitive price-cutting by other importers, carried to a point where cargo is being offered by the dealer at as much as \$1 below the replacement cost of new stock.

In the following sections only the more permanently established brands are mentioned, but apart from these there are a large number which appear either under favourable circumstances for the purpose of making a one-sale profit, or when conditions are bad, as "fighting brands," for the purpose of forcing an importers' agreement to rehabilitate the trade.

#### CONDENSED MILK

Monthly sales of condensed milk are estimated at 2,000 cases, of which some 90 per cent are forwarded to the interior of China. The products composing the trade roughly divide into three classes, qualifiable as high-, medium-, and low-priced. Of the three, however, the second is disappearing before the rival claims of quality and/or price. In the former class are the two brands "Eagle" and "Longevity," selling ex stock to the dealer at HK\$16.20 and HK\$19 respectively per case of forty-eight 14-ounce tins. "Gold Medal" and "Happy Family" condensed milk were until recently the major competitors in the medium-priced class, but "Gold Medal" has gone off the market and "Happy Family" is now offered at HK\$12 per case in competition with products ranging from HK\$9 to HK\$12 per case of forty-eight 14-ounce tins, of which the principal are "Swan" at HK\$9, "Lighthouse" at HK\$10, "Strong Man" at HK\$10.40, "Queens" at HK\$11.50, and "Peacock" at HK\$12.

#### SWEETENED CONDENSED SKIM-MILK

The annual turnover in this product is estimated at some 4,800 cases or 400 cases per month. The product has a negligible butter-fat content, but is mistakenly used in the hinterland of South China as a substitute for full cream condensed milk in the feeding of infants. The trade is of little importance and is in general regarded by the suppliers as a dumping ground for distressed stocks—frequently of full cream condensed milk.

Prices have recently been depressed by the importation of an old-stock full cream milk from Siam which has been liquidated at sacrifice rates. Prices for this type of tinned milk normally range between HK\$6 and HK\$7 per case of forty-eight 14-ounce tins.

#### EVAPORATED MILK

Evaporated milk is the most unstable element of the trade in milk products, and its importation and distribution is marked by the greatest speculative fluctuations in price. The turnover, however, is substantial, being in the neighbourhood of 4,500 to 5,000 cases per month.

The margin of profit for the retailer in this trade is rarely more than Hong-kong 20 cents—that is, 6 cents gold per case of forty-eight 14½-ounce tins, and in many cases less.

Holland, the United States, and Japan are the principal suppliers, with one Canadian producer obtaining a portion of the market. During the past twelve months Japanese pack has lost ground and to-day commands a turnover estimated at less than 400 cases, or less than 25 per cent of the sales enjoyed one year ago.

The principal brands and their wholesale prices per case of forty-eight 14½-ounce tins are as follows, with distributors' quotations for such of these brands as have stocks in the market appearing in parentheses: "Carnation," HK\$10.75 (HK\$10.40); "Golden State," HK\$10.50; "Dairygold," HK\$10.50; "Red Seal," HK\$8.10 (HK\$8.40); "Bordens," HK\$10.20 (HK\$9.60); "Libbys," HK\$9.15 (HK\$9.50); "St. Charles," HK\$9.60 (HK\$9.40); "Rainbow," HK\$8.40 (HK\$8.60); "Dykeland," HK\$8.50 (HK\$9); "Seagull," HK\$8.50 (HK\$9); "Airship," HK\$8.50; and "Aeroplane," HK\$8.50.

Apart from the trade in 14½-ounce pack, there is a turnover in the baby size of alternatively 5 and 6 ounces net weight, packed ninety-six to the case, which does not exceed 100 cases per month. The baby size is normally quoted under the same labels and at the same price per case as prevailing for the forty-eight 14½-ounce pack.

#### TERMS

Although casual imports are on an independent basis, the principal importers place dependence on a joint policy of regular indents and the carrying of supplementary local stocks. Certain importers have endeavoured to further popularize indent purchases by quoting spot prices less 2 per cent, but the practice has not proved successful. At least two competitors carry consignment stocks; the practice furnishes a flexibility to their quotations and is practicable since the local offices are under company managers.

Customarily, sales to the dealer involve the extension of credit for thirty days with compulsory acceptance of indent shipment within the free-storage period of seven days. In the case of non-acceptance within this period, storage charges are for the buyer's account.

Independent suppliers in Holland customarily invoice at ninety days D/P, and on occasion ninety days D/A. Independent United States suppliers ship normally against documentary letter of credit drawn at varying sight, with interest charges for buyer's account.

### DANISH GRAIN REGULATIONS

RICHARD GREW, CANADIAN TRADE COMMISSIONER

Oslo, October 24, 1936.—Owing to the fact that the Danish crop for feeding grains was considerably short of requirements, and also on account of the steady advance of world grain prices to a level which prevented the Government from obtaining any taxes on imported grains, the Department of Agriculture has issued new regulations respecting taxes and the importation of grains.

The new taxes, which amend the Grain Law of April 17, 1936, are effective from October 3, and are as follows: Unmilled hard wheat, 3 kroner per 100 kilos; wheat flour, 4.30; lucerne meal, 1.60.

Previous to this ruling, taxes were also levied on barley, soft wheat, maize, oats, mixed seed, and rye, in addition to the products mentioned above. Now, however, no taxes apply to these grains.

At the same time that the taxes were abolished, the Department of Agriculture also lifted the prohibition against the importation of barley and oats which had been in effect since May 15, 1936. Due to the present situation of a short crop, it is considered unlikely that the Government will prohibit the importation of grains for the remainder of the crop year.

Since the embargo on these grains has been lifted, there has been a strong demand for feeding barley, and it is estimated that 30,000 tons have been bought. Most of the purchases have been of Danubian barley, although a certain portion of Argentine barley is also included in the above amount. The latest price available for Danubian barley weighing 61/62 kilos per hectolitre was £6 5s. per 100 kilos c.i.f. Denmark.

It is thought likely that the demand for barley will remain fairly brisk although, as part of the Danish requirements have now been covered at lower prices than those at present ruling, the market is not as active as it was immediately after the lifting of the embargo. Another factor which indicates a continuing demand is that prices for oilcake remain high.

## TURKEY IN 1935

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(One Turkish pound is equal to approximately \$0.80)

Cairo, October 16, 1936.—General conditions in Turkey improved in 1935. Agricultural production, the principal economic asset of the country, was larger than in 1934; live stock, in constant decrease since 1931 because of the heavy fall in the price of wool and mohair, began an upward movement, following the recovery in the prices of these commodities; the slight revival in foreign trade observed in 1934 was accentuated during the past year, while the balance of trade showed a more favourable result than that of 1934; the Budget situation indicated a further progress, with the yield of revenue being, since 1934, in gradual progression, and the excess of receipts over expenditure standing at more than Ltq. 6,000,000; as a result of the adoption of various new restrictive measures to reinforce those taken since September, 1930, the *de facto* stabilization of the Turkish pound was maintained during the year; State funds were strengthened, this being the consequence of the establishment of control on the market; the execution of the five-year industrial plan elaborated by the Government at the beginning of 1934 was pushed forward rapidly; and the construction of railways, roads, bridges, and water works was continued. Briefly, the signs of recovery observed in the second half of 1934 were confirmed in 1935.

### AGRICULTURE

With the exception of cereals, which suffered from lack of rain, and of the olive oil production, the yield of agricultural products was more important than in 1934, as is apparent from the following table giving the figures for 1935 and 1934 relating to the chief crops of Turkey:—

Commodities	1935	1934
	Metric Tons	Metric Tons
Raisins.. . . .	80,000	50,000
Dried figs.. . . .	32,000	28,000
Nuts.. . . .	56,000	28,000
Tobacco.. . . .	38,000	35,000
Cotton.. . . .	26,800	24,000
Wheat.. . . .	2,500,000	2,720,000
Barley.. . . .	1,300,000	1,670,000
Olive oil.. . . .	12,000	25,000
Cocoons.. . . .	2,000	1,900
Opium.. . . .	225	190

The Turkish Government has pursued since 1934 a policy of agricultural relief. New measures were taken in 1935 with a view to helping the rural classes; a bill passed in June, 1935, spread over a period of fifteen years, from 1936, the settlement of agriculturists' mortgages with the Agricultural Bank; the total of these mortgages is estimated at Ltq. 23,000,000. A law passed in

December, 1935, authorized the Agricultural Bank to increase from Ltq. 1,000,000 to Ltq. 2,500,000 the value of the wheat to be distributed at cost price to necessitous farmers or to farmers who had suffered from adverse atmospheric conditions.

### LIVE STOCK

The principal increases in live stock were in sheep, goats, oxen, and cows, as is shown by the following table:—

	1935	1934
Sheep.. . . . .	12,436,000	10,739,000
Goats (common).. . . . .	6,778,000	6,378,000
Goats (mohair).. . . . .	2,743,000	2,636,000
Oxen.. . . . .	5,370,000	5,173,000
Buffaloes.. . . . .	540,000	539,000
Camels.. . . . .	94,000	88,000
Horses.. . . . .	601,000	563,000
Mules.. . . . .	51,000	46,000
Donkeys.. . . . .	978,000	956,000
Pigs.. . . . .	1,600	1,500

It is estimated that the decision taken by the Turkish Government to lighten, as from the present year, the taxes levied on cattle will contribute to the continued increase in live stock.

Among the by-products of cattle raising, the production of wool and mohair rose in a corresponding measure; the wool and mohair clips yielded 16,000 tons and 5,000 tons respectively in 1935 compared to 14,000 tons and 4,300 tons in 1934.

The annual egg production of Turkey is placed at about 900,000,000; it has declined considerably in recent years on account of the exportation difficulties created by quotas fixed by the principal consuming countries.

### FOREIGN TRADE

According to figures published by the Ottoman Bank, imports into Turkey amounted to Ltq. 88,800,000 in 1935 against Ltq. 86,800,000 in 1934, an advance of Ltq. 2,000,000, and exports to Ltq. 95,900,000 in 1935 compared to Ltq. 92,100,000 in the preceding year, an increase of Ltq. 3,800,000, leaving a favourable balance of trade of Ltq. 7,100,000 in 1935 and of Ltq. 5,300,000 in 1934, a progress of Ltq. 1,800,000.

The following table recapitulates the movements of Turkey's exchanges since 1925:—

Year	Imports Ltq.	Exports Ltq.	Increase or Decrease
1925.. . . . .	241,600,000	192,400,000	— 49,200,000
1926.. . . . .	234,700,000	186,400,000	— 48,300,000
1927.. . . . .	211,400,000	158,400,000	— 53,000,000
1928.. . . . .	223,500,000	173,500,000	— 50,000,000
1929.. . . . .	255,900,000	155,400,000	—100,500,000
1930.. . . . .	147,500,000	151,400,000	+ 3,900,000
1931.. . . . .	126,600,000	127,200,000	+ 600,000
1932.. . . . .	86,000,000	101,300,000	+ 15,300,000
1933.. . . . .	74,700,000	96,200,000	+ 21,500,000
1934.. . . . .	86,800,000	92,100,000	+ 5,300,000
1935.. . . . .	88,800,000	95,900,000	+ 7,100,000

The trade balance of Turkey, which had always been adverse before and after the war until 1930, has been favourable since that year. This improved situation is due both to the protectionist policy inaugurated in 1930 (customs tariff of November, 1929, and quotas from 1933) and the clearing conventions which have been generalized since 1934. The aim of these conventions is the balance of exchanges and, in some cases, the balance of payments, thus ensuring the automatic constitution of an excess of exports. Ninety per cent of the commercial exchanges of Turkey are now effected with countries which have concluded commercial or payments agreements; Canada is not included in these countries.

Since the establishment of the clearing agreements, the balance of trade has not been as large as the favourable balances of trade granted to Turkey under various of these agreements, with the result that several countries with which such agreements have been concluded have considerable sums blocked in Turkey. Although the present situation assures a market for future Turkish exports, it remains that, owing to the fact that blocked credits can only be freed through the purchase of Turkish goods, many firms abroad refuse to make further shipments to Turkey.

Export products have shown, in general, a very firm tendency. The large purchases effected by almost every country, principally Germany, for the purpose of balancing their clearing accounts, have maintained prices at high levels, from which Turkey has benefited.

Turkey's principal exports included tobacco, raisins, hazelnuts, cattle, cotton, barley, mohair, timber, coal, figs, eggs, olive oil, carpets, opium, valonea, etc.; the chief items of import are cotton yarns and tissues, machinery, iron and steel, woollen yarns and tissues, glass, vehicles, chemical and medicinal products, paper, skins, coffee, cocoa, tea, and sugar.

#### TRADE WITH CANADA

According to the figures published by the Dominion Bureau of Statistics, Canada's imports from Turkey for the fiscal years ended March 31, 1936 and 1935 respectively, amounted to \$287,558 and \$206,188; the Dominion's exports to that country totalled \$488 and \$8,657. In the absence of a clearing agreement with Turkey, it is difficult for Canada to sell products in that market.

#### INDUSTRY

The execution of the five-year industrial plan, initiated in 1934, has been developed steadily in the course of 1935. Five new factories (sulphur works, attar of roses distillery, cotton weaving mill, glass and coking plants) were opened, while five others (paper mill, three textile factories, and rayon plant) were in the process of construction. Further development of local industries by the Government is contemplated, and a second five-year plan is under consideration. The production of electricity on a large scale, it is thought, will be the main purpose of this second program.

Private enterprise in industry was also developed in 1935, but on a small scale, as the policy of the Government tends towards government-run enterprises and monopolies.

#### FINANCIAL SITUATION

Throughout 1935 Turkey has maintained the stability of her currency, as has been the case since 1929. This has been achieved by stringent exchange regulations, by quotas, and latterly also by a system of clearing agreements whereby imports are paid for in Turkish goods.

Internal prices for many lines of Turkish produce are above world level on account of abnormal demand. Local consumption of certain raw materials, such as cotton and wool, is also on the increase. Both factors are an encouragement to increased production, which will substantially facilitate the maintenance of the stability of the currency, while the stability of the currency should, in turn, tend towards the lightening of the stringency of foreign exchange and of exchange restrictions.

Taxation, already heavy, was increased further in 1935. Likewise expenditure generally was on the increase. Apart from higher allocations for national defence, very large sums were spent on public works and on industrial development. The two latter may be classed as capital expenditure, which will in due

course improve the productiveness of the country and, later, provide revenue for the Government, but to draw the capital necessary for such enterprises out of current revenue is a heavy load on the taxpayer.

In 1935 there have been further issues of the second internal loan, authorized for the financing of certain railway construction. There has been no borrowing from abroad, although Turkey may be said to have acquired a temporary loan, without interest, through the working of clearing agreements and the accumulation of frozen credits with the Turkish Central Bank.

The improvement in the Budget situation in 1934 progressed further in 1935. Estimates for the receipts, according to the provisional figures established by the Treasury, were Ltq. 190,100,000, and extraordinary receipts Ltq. 16,950,000, totalling Ltq. 207,050,000, against an actual expenditure of Ltq. 200,280,000, leaving a surplus of over Ltq. 6,000,000.

## ECONOMIC SITUATION IN GREECE IN 1935

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, October 14, 1936.—The following embodies in a summarized form the comments upon Greece's economy, public finance, currency, and note circulation, made by the Governor of the Bank of Greece before the eighth general meeting of shareholders on April 3, 1936, these comments being comprised in a report which has reached recently the Cairo office.

### AGRICULTURE

The total cultivated area in 1935 amounted to 22,368,000 stremmes (one stremme is the equivalent of 0.2471 acre) as against 21,485,000 stremmes in 1934. The increase of the area under cultivation was particularly noticeable in the cases of wheat, pulses, cotton, and sultanas.

### WHEAT

The production of wheat in 1935 is calculated to have totalled 718,500 metric tons (one metric ton is equal to 2,204.6 pounds) as against 699,000 tons in 1934 and 772,000 tons in 1933. The yield per stremme in 1935 was 80 kilograms (one kilogram is the equivalent of 2.2046 pounds) as compared with 88.34 in 1934, 111 in 1933, 77 in 1932, and 50 in 1931. In spite, however, of the increase in production during the last three years, no corresponding decrease has been observed in imports of wheat and flour, which amounted to 444,200 tons in 1935 (13.2 per cent of total imports) as against 261,000 tons in 1934 (8.5 per cent) and 449,300 tons in 1933 (15.9 per cent). Thus the total quantities of wheat and flour available for consumption amounted to 1,162,700 tons in 1935, 959,900 tons in 1934, and 1,221,800 tons in 1933, the figures for 1933 and 1935 having therefore substantially exceeded the average rate of consumption during the five-year period 1928-32, amounting to 952,000 tons annually. This advance is due to the increase of population, to greater consumption per head, and to the decrease in the production of maize.

### TOBACCO

In 1935 tobacco fully maintained its position as the premier export of Greece. Tobacco exports represented 49.5 per cent of total exports, whereas in 1934 they reached only 36.98 per cent. Exports amounted last year to 50,037 tons against 37,382 tons in 1934. The average price of exported tobacco was higher than that of the three previous years, but less than the price obtained in the period 1926-31. The area devoted to the growing of tobacco extended to 811,000 stremmes, an increase of 5 per cent over the area cultivated in 1934.

Inclusive of the unsold stocks of previous crops, the market offer of tobacco during the tobacco year 1935-36 amounted to 34,500,000 okes (one oke is equal to 2·832 pounds), or 13 per cent less than the offer of the year 1934-35, which totalled about 40,000,000 okes.

#### OTHER PRODUCTS

*Currants.*—The production of currants during 1935, available for sale in the currant year commencing September 1, 1935, and ending August 31, 1936, amounted to 315,000,000 Venetian pounds (2,128 Venetian pounds are equal to 2,240 pounds, or one gross ton) as against 283,587,957 Venetian pounds in 1934 and 238,150,695 Venetian pounds in 1933. The export of currants amounted in 1935 to 101,304 tons, or 38 per cent of the whole production. The average prices during the currant year 1934-35 were about 20 per cent lower than those of the previous year. Hence the export devisen from this source which entered the country totalled £400,000 less.

*Wine-must.*—The production of wine-must during 1935 amounted to 395,888 tons, of which 34,566 tons, or 9 per cent, were exported, against a production in 1934 of 357,813 tons, of which 40,849 tons, or 11 per cent, were sold abroad. The prices of Greek wines were practically the same as those of the previous year. Exports to France, which amounted to 7,477 in 1934, fell to 2,477 tons in 1935.

*Olive Oil.*—The production of olive oil amounted to 74,629 tons in 1935 as compared with 122,580 tons in 1934, while exports totalled 11,148 and 6,871 tons for these two years respectively. The production of olives amounted to 41,437 tons against 35,834 tons in 1934, exports totalling 15,185 tons in 1935 in comparison to 13,804 in the preceding year.

*Dried Figs.*—As regards dried figs, the production figures for 1935 are not yet available, but it has been ascertained that during that year there were exported 17,914 tons against 14,892 tons in 1934.

#### INDUSTRY

In the field of industry, the improvement observed in the last few years has continued. The weighted index of industrial production in quantities (base year 1928 equals 100) was 111·79 for 1933, 127·47 for 1934, while in November, 1935, it rose to 141·14. The total value of industrial production amounted in 1935 to drs. 10,076,000,000 (drs. 110 are equal to one Canadian dollar at the present rate of exchange), corresponding to an increase of 1·6 per cent as compared with the value of the 1934 production, which was placed at drs. 9,913,000,000. The largest increases were observed in the chemical industries (17·5 per cent), in the industries for the working up of timber (13 per cent), and in the mechanical industries (7·8 per cent). Greek industrial production in 1928 covered 58·60 per cent of the whole national consumption of industrial products; during the past year the proportion was 75·03 per cent. On the other hand, the index of imports of ready-made industrial products was 70·14 in 1935 against 60·95 in 1934 (base year 1928 equals 100), while the index of export was 118·71 as compared with 131·14 in 1934 (base year 1928 equals 100); that is to say, there was an increase in imports and a decline in exports.

#### SHIPPING AND RAILWAYS

The movement of Greek shipping, as compared with the years of depression, displayed an improvement both as regards tonnage and returns. The international position of Greece, on the basis of the relation between the tonnage of its mercantile marine on the one hand and its population on the other, which gave it the sixth place in 1933 and the fifth in 1934, rose to fourth among all nations in 1935 with a total number of 629 ships and 1,878,760 tons, as against 615 ships and 1,808,234 tons in 1934. The gross income both in terms

of sterling and drachmae improved somewhat, but there was observed a decrease in the devisen accruing therefrom. On the contrary, the devisen which was economized as a result of the transport of wheat, coal, emery, and minerals by Greek ships increased from £550,000 in 1934 to £700,000 in 1935.

As a result of internal political anomalies, a decrease in the movement of Greek ports was noticed. The arrivals and departures of steamers and sailing ships, both in number of vessels and tonnage, decreased; the movement of passengers also experienced a set-back, but there was progress in the movement of merchandise.

The greater activity of the whole economy was also reflected in a certain improvement in the position of the railways. As regards the Greek State Railways, there was an increase in receipts, in tonnage of goods, and in the number of passengers. Likewise there was an expansion in the operations of the Piraeus-Athens-Peloponnesus Railway.

#### COMMERCE

Imports in 1935 amounted to drs. 10,681,000,000 as against drs. 8,792,000,000 in 1934, while exports totalled drs. 7,101,000,000 as compared with drs. 5,474,000,000 in 1934. The deficit of Greece's trade balance stood consequently at drs. 3,580,000,000 in 1935 and at drs. 3,318,000,000 in 1934, while the ratio of exports to imports was represented by 66·48 and 62·21 per cent in 1935 and 1934 respectively.

#### IMPORTS

Statistics of imports as published in the *Bulletin of the Bank of Greece*, where imported goods are classified in ten categories, for purposes of quotas and import permits, are as follows for 1935 and 1934:—

	1935 Figures in Drs. 1,000	1934 Figures in Drs. 1,000	Inc. or Dec.
Wheat and flour. . . . .	1,406,000	744,000	+ 662,000
Other cereals. . . . .	181,000	12,000	+ 169,000
Foodstuffs in general. . . . .	1,523,000	1,419,000	+ 104,000
Articles of necessity. . . . .	1,319,000	1,118,000	+ 201,000
Other necessities. . . . .	1,980,000	1,666,000	+ 314,000
Industrial raw materials. . . . .	1,995,000	1,961,000	+ 34,000
Building and road construction materials	1,013,000	779,000	+ 234,000
Machinery and accessories. . . . .	618,000	461,000	+ 157,000
Ships and accessories. . . . .	12,000	33,000	— 21,000
Articles of luxury. . . . .	634,000	599,000	+ 35,000
Total. . . . .	10,681,000	8,792,000	+ 1,889,000

It is apparent from the above table that only one category—ships and accessories—showed a falling off, and that the largest increase took place in imports of wheat and flour, followed by “other necessities,” “building and road-construction materials,” “articles of necessity,” cereals other than wheat, and “machinery and accessories.”

#### CLEARINGS

At the close of 1935 Greece had concluded official clearings of various kinds—integral, partial, and statistical—with seventeen countries: integral clearings with Austria, Sweden, France, Czechoslovakia, Germany, Switzerland, Hungary, Norway, Albania, Belgium, Poland, Finland, and Italy; and partial clearings with Yugoslavia, Turkey, Roumania, and Russia. In addition, with most countries with which Greece had an adverse balance, clearings, compulsory or potential, were applied unilaterally, so that it would seem that the only countries with which Greek commercial transactions are still governed by the old system are Great Britain, the United States, Holland, and Egypt. The position as at December 31, 1935, of fifteen of the more important accounts of official clearings was as follows: Four accounts showed an active balance in favour of Greece amounting to S. frs. 29,901,746, of which the largest part—S. frs. 27,018,754—represented the

active balance of the clearing with Germany; the remaining eleven accounts left a passive balance of S. frs. 37,000,958, of which S. frs. 11,098,456 in blocked drachmae, S. frs. 1,599,567 in "Bons de Caisse" (promissory notes or compensation certificates) in circulation, and the balance in devisen. Thus on December 31, 1935, the difference between the active and passive balances amounted to S. frs. 7,099,212, which represents a considerable improvement as compared with the position on December 31, 1934, when the active balances amounted to S. frs. 16,000,000 and the passive balances to S. frs. 26,300,000, a difference of S. frs. 10,300,000.

The existence of substantial disposable funds in blocked drachmae abroad accruing from commercial claims deprives Greek economy of the necessary elasticity and upsets the normal rhythm of Greek transactions with foreign countries.

#### PUBLIC FINANCE

According to the results as at December 31, 1935, the financial years 1933 up to 1934-35 inclusive have closed with a surplus of drs. 137,434,239. As a consequence, however, of certain changes in the accounts of active and passive balances (cancelling of active balances and the addition of passive balances), the above surplus was reduced to practically nothing.

The execution of the Budget of 1935-36 reveals that expenditure amounted to drs. 10,784,000,000, while estimated revenues, both ordinary and extraordinary, are placed at drs. 10,564,000,000, leaving a probable deficit of drs. 220,000,000.

#### STOCK EXCHANGE

According to the Greek Supreme Economic Council, the index of prices of securities of fixed income in the Athens Stock Exchange, with 1928 as base year, was 66.04 in 1935 as compared with 66.47 in 1934, and the index of prices of securities of variable income, with the same base year, was 56.61 in 1935 against 57.69 in 1934. In other words, the position of securities in 1935 was about the same as that of 1934.

#### PRICES

The wholesale index number of the Supreme Economic Council was 2,003 in 1935 against 1,969 in 1934. The cost of living index (forty-four towns) prepared by the General Statistical Service of the State was 1,956.5 in 1935 compared to 1,936.5 in 1934. The cost of living index in Athens, prepared by the Economic Intelligence Department of the Bank of Greece, stood at 2,189.7 in 1935 against 2,145.6 in 1934. The small advance in these indices was due to the increase in international prices, which could not but influence the movement of prices in Greece on account of her substantial imports from abroad.

#### INDEX OF GENERAL ECONOMIC ACTIVITY

The Economic Intelligence Department of the Bank of Greece have prepared an index showing the general economic activity of the country. The index was established by taking into account six bases considered quantitatively and depicting the economic life of Greece—that is to say, exports of agricultural products, industrial production, imports of iron and machinery, railway transport, movement of shipping, and bank clearings. The average rate of this index in the first eleven months of 1935 was 111.5 compared to 97.9 in 1934, 88.9 in 1933 (base year 1928 equals 100).

#### CURRENCY

In the course of 1935 the drachma has remained stable; it moved in relation to the Swiss and French francs in accordance with their fluctuations round about the gold points, whereas in relation to the pound sterling and the dollar the drachma followed their fluctuations in relation to gold.

The average rates of exchange of Greek currency as regards the pound sterling were drs. 523·15 in January, drs. 520·58 in February, drs. 507·17 in March, drs. 516·46 in April, drs. 522·36 in May, drs. 522·64 in June, drs. 523·30 in July, drs. 524·96 in August, drs. 524·08 in September, drs. 520·88 in October, drs. 523·44 in November, and drs. 524·70 in December, 1935, while in respect to United States dollars they stood at drs. 106·35 in January, drs. 106·35 in February, drs. 105·69 in March, drs. 106·46 in April, drs. 106·48 in May, drs. 105·43 in June, drs. 105·13 in July, drs. 105·23 in August, drs. 105·98 in September, drs. 106 in October, drs. 106 in November, and drs. 106 in December, 1935.

#### NOTE CIRCULATION

In December, 1935, the notes in circulation in Greece represented drs. 5,988,000,000 compared with drs. 5,686,000,000 in December, 1934. The relation of reserve to sight liabilities and note circulation stood at 47·26 at the end of 1934 against 42·92 at the end of 1935.

According to the Governor of the Bank of Greece, the situation in that country at the close of 1935 did not justify the development of a spirit of pessimism, but he did not hesitate to recommend openly a greater circumspection in every branch of expenditure, whether public or private, and added that with internal divisions and political revolutions being things of the past, one of the main dangers which threatened the general economy of the country had disappeared.

### ROUMANIAN FOREIGN TRADE CONDITIONS IN 1935

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, October 12, 1936.—Statistics show that the structure of the foreign trade of Roumania during 1935 has changed considerably, it is stated in the Annual Report (1935) of the British Chamber of Commerce at Bucarest recently received at the Cairo office.

#### IMPORTS RESTRICTED

In order to reduce the payments to be made abroad, a decrease in imports was imposed on trade, and restrictions continued to be severely applied, with the result that the trade balance for 1935 was 5,908,693,000 lei (approximately 134 lei are equal to one dollar) in favour of Roumania, which is more than the favourable balance for 1931 (5,800,000,000 lei), a record year.

The restrictions have been applied mostly to manufactured goods, but they also affected the imports of certain raw materials, leaving free, however, the importation of those raw and semi-manufactured materials necessary to the home manufactures. While imports of machinery, iron, metals, and metalloids in 1932 represented 23 per cent in quantity (103,495 tons) and 27 per cent in value (3,243,058,000 lei) of the total imports, in 1935 the percentages were about 47 per cent (253,467 metric tons) and 38 per cent (4,047,940,000 lei) respectively. Against this the import of vegetable textiles and derivatives, leather, woollen articles, etc., fell from 13·6 per cent in quantity (61,197 tons) and about 41·5 per cent in value (5,016,324,000 lei) in 1932 to about 9 per cent (47,290 tons) and about 35 per cent (3,489,203,000 lei) respectively.

#### MARKED PROGRESS IN EXPORTS

Exports were considerably higher during 1935, almost equalling those of 1932. The export of petroleum products has further increased and represented

72 per cent of the total exports, Roumania being the fourth country in the oil production of the world. The export of live stock has also increased. The important increase in exports observed in 1935 is unusual in that it corresponded to a marked decrease in imports, which is a rather rare occurrence.

### PRECARIOUS POSITION OF FREE EXCHANGE

In spite of the favourable position of the trade balance, the amount of foreign exchange available in Roumania has been scanty during the year under review, and the country was unable to meet its engagements abroad. This is largely due to the fact that while Roumania's liabilities are chiefly to countries with "strong" currencies, nearly 70 per cent of its exports were to countries having "weak" currencies, with which it had payments agreements and, as a result, sufficient exchange was not available for payment of liabilities in "strong" currencies. In fact, the surplus derived from the excess in exports over imports was wasted by means of closed accounts and the blocking of foreign currency due for the sums owed for exports. A change in the position can result only from an intensification of imports from Roumania by countries with "strong" currencies.

### STATISTICS OF FOREIGN TRADE

The figures issued by the Ministry of Industry and Commerce of Roumania indicate that in 1935 imports and exports of that country amounted respectively to 5,332,679 metric quintals (one metric quintal is equal to 220.46 pounds) valued at 10,847,530,000 lei and 92,760,087 quintals estimated at 16,756,223,000 lei; those for 1934 to 5,358,580 quintals assessed at 13,208,523,000 lei and 88,540,961 quintals totalling 13,646,734,000 lei. These figures show a falling off of 25,901 quintals in the volume of imports and of 2,360,993,000 lei in their value, and a surplus of 4,219,126 quintals and of 3,109,489,000 lei in the volume and value of exports. They disclose also that the excess of exports over imports has increased from 83,208,282 to 87,427,408 quintals in volume and from 438,211,000 lei to 5,908,693,000 lei in value, an advance of 4,219,126 quintals and 5,470,482,000 lei.

The figures relating to Roumania's foreign trade are to be found hereafter in table form:—

#### Imports

	1935	1934	Difference
Volume in metric quintals. . . . .	5,332,679	5,358,580	— 25,901
Value in 1,000 lei . . . . .	10,847,530	13,208,523	—2,360,993

#### Exports

	1935	1934	Difference
Volume in metric quintals . . . . .	92,760,087	88,540,961	+4,219,126
Value in 1,000 lei . . . . .	16,756,223	13,646,734	+3,109,489

### TRADE BY COMMODITY GROUPS

Appended are tables giving the figures of Roumania's imports and exports in 1935 and 1934 respectively under the commodity groups as detailed in the official statistics of that country:—

#### Imports

	1935 M. Quintals	1934 M. Quintals	1935 1,000 Lei	1934 1,000 Lei
Animal products . . . . .	89,793	190,390	906,397	1,713,156
Vegetable products . . . . .	1,370,606	1,446,113	4,246,115	5,432,325
Mineral products . . . . .	3,724,851	4,495,404	4,904,336	5,001,643
Miscellaneous . . . . .	147,429	226,673	790,682	1,061,399
Total . . . . .	5,332,679	5,358,580	10,847,530	13,208,523

*Exports*

	1935	1934	1935	1934
	M. Quintals	M. Quintals	1,000 Lei	1,000 Lei
Animal products . . . . .	938,391	704,031	1,627,578	1,297,862
Vegetable products . . . . .	24,641,968	21,358,396	6,306,830	4,954,625
Mineral products . . . . .	67,079,005	66,403,712	8,732,073	7,324,686
Miscellaneous . . . . .	100,723	74,822	89,742	69,561
Total . . . . .	92,760,087	88,540,961	16,756,223	13,646,734

The volume and value of imports of animal, vegetable, mineral, and miscellaneous products showed therefore declines, while the volume and value of exports of these various categories of products indicated advances.

## TRADE BY COUNTRIES

In 1935 Germany occupied first place as a source of supply of imports into Roumania, followed by Austria, Czechoslovakia, Great Britain, Italy, France, Hungary, Switzerland, and the United States. Roumania's imports from and exports to the above countries for 1935 and 1934 respectively amounted to:—

	Imports		Exports	
	1935	1934	1935	1934
	Figures in 1,000,000 Lei			
Germany . . . . .	2,542.6	2,047.1	2,727.4	2,264.0
Austria . . . . .	1,227.8	1,302.7	2,105.3	1,242.6
Czechoslovakia . . . . .	1,073.7	1,312.1	977.9	741.1
Great Britain . . . . .	1,020.6	2,146.4	1,447.7	1,367.0
Italy . . . . .	815.2	969.0	2,672.0	1,057.4
France . . . . .	747.0	1,464.2	661.3	1,322.2
Hungary . . . . .	715.3	538.6	1,324.6	750.4
Switzerland . . . . .	341.1	430.5	578.7	218.0
United States . . . . .	326.0	550.9	39.3	16.8

It is to be observed that Roumania's balance of trade with the above-mentioned countries and, in fact, with other countries was, in the majority of cases, favourable to the former.

## TRADE WITH CANADA

According to the figures of the Dominion Bureau of Statistics, Canada's exports to Roumania for the fiscal year ended March 31, 1936, amounted to \$22,726 against \$151,582 in the preceding year, while imports into the Dominion from Roumania totalled \$144,413 and \$5,396 for these two periods respectively. The principal export items were: automobiles, \$14,844 (\$75,251 in 1935 fiscal year); other farm implements and parts, \$2,659 (\$469); and rubber tires and tubes, \$2,616 (\$64,757).

The decline in Canadian exports to Roumania may be ascribed to restrictions on imports and the difficulty in obtaining foreign exchange, particularly Canadian dollars, while the marked advance in Roumania's exports to the Dominion is to be attributed to shipments of gasoline amounting to \$141,844.

**BOLIVIAN EXCHANGE CONTROL**

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, October 19, 1936.—Certain regulations have recently been issued by the Bolivian Finance Minister in connection with the issuance and disposition of available foreign exchange in Bolivia. With the exception of certain commodities, the exchange control of which remains in the hands of the Exchange Control Board, all other exchange transactions are left solely in the hands of the Central Bank, the National Bank, and the Mercantile Bank. Authorizations of requests for exchange are to be made by the banks themselves,

which are instructed to bear in mind the urgency of the imports. Requests for permission to import are to be made prior to the placing of orders for goods and exchange will only be made effective by the banks against the importation of the merchandise into the country. The banks, on certifying the requests for exchange, will grant a certificate to the interested parties, and the Customs will effect the corresponding despatch against the delivery of this certificate.

### REGULATIONS

A special form has been drawn up for requests for exchange for importations. This form must give the name of the firm proposing to make a purchase; the address; the number of the firm as inscribed in the registry of the Tax Office; the amount of foreign currency involved; the merchandise to be imported, attaching a copy or a complete report of the order; the name of the manufacturer or supplier; the market of origin and the market of destination.

A further regulation states that, as a general rule, all exchange sales which the banks may effect will unfailingly be made by cheque or draft to the order of the foreign manufacturers or suppliers, and in no case to the order of the solicitant or persons resident in the country. In addition, the respective bank is to establish the margin of sales of exchange for importation purposes in accordance with their own judgment in each case, depending upon the importance and necessity of the order and upon the disposables available as well as any other concurrent circumstances.

In exceptional cases and as long as the bank's disposables permit it, requests for the purpose of covering importations already effected will be attended to against the presentation of the respective entries and on condition that they correspond to Customs despatches made after July 1, last.

The banks are permitted to utilize the services of brokers or intermediaries in the capacity of agents, who will operate under the bank's responsibility when authorization for such purpose has been obtained from the Ministry of Finance. The banks are under orders to supply the Control Board with full details of all exchange operations that they may effect.

### DISTRIBUTION OF EXCHANGE

Under date of September 18, the Ministry of Finance issued certain instructions to the Exchange Control Board concerning the distribution of exchange. Exchange is to be distributed at the rate of 50 bolivianos to the pound sterling only for articles deemed to be of prime necessity, subject to rationing. These articles are wheat; sugar; kerosene; lard; gasoline; paraffin in paste; drugs and specifics (subject to a list from the Department General of Health). Requisitions for the importation of students' books, their board, as well as quotas for public utility services, departmental and municipal services, and newspaper will also be attended to at this rate of exchange. In the event that any other article of prime necessity be made subject to rationing, it will be similarly taken care of at the rate of 50 bolivianos to the pound sterling. Such exchange will continue to be applied while the exchange readjustment is effected.

Exchange will be distributed at the rate of Bs. 120 to the pound sterling for the following articles: raw materials and repairs for factories of woollen and cotton textiles, footwear, cement, glass, hats, hosiery, soap, envelopes and cardboard and other products of prime necessity. In addition to the foregoing are included containers for preserves, pure-bred live stock, seeds, repairs for agricultural machinery, lumber for construction and cabinet-making, materials for tailors, inks and types, basic papers, cigarette paper, wrapping paper, anilines and lubricants, thread, white cloth, cotton cloth, flannel baize, woollen textiles, and fencing wire.

## ORDER OF PREFERENCE

The order of preference for the granting of exchange has been established as follows: raw materials, repairs for national industries, necessary articles for personal use, construction materials, and books, other than text or students'. Requisitions for articles of the second or third emergency, as they have been termed, will be attended to when those of first requirement have been served. This, however, does not mean that the entire amount of such requisitions will be covered, the commission being instructed to examine each case, taking into consideration consumption necessities and previous concessions.

## MONTHLY QUOTAS

In addition to the foregoing, it is proposed to ration the consumption of the country as well as the exchange concessions by the fixing of monthly quotas for each category, article or service. Should it not be possible to attend to one category or service entirely, the balance will be charged up to the following month. The entire Board must be in agreement regarding the granting or distribution of any exchange, and in case of disagreement the decision is left in the hands of the Minister of Finance. The Minister of Finance must first approve any contract for the acquirement of machinery or industrial installations before exchange will be granted for it.

Unpaid balances pertaining to previous requests for foreign exchange will be attended to at the new rate of exchange (Bs. 120 per pound sterling) except in the case of special contracts, which will be examined and determined by the Ministry of Finance.

## EXCHANGE FOR IMPORTATION OF WHEAT

Exchange for the importation of wheat will only be granted to milling concerns. In addition, it is stated the exchange will also only be granted to duly established industrial and commercial concerns who are up to date with the payment of their taxes.

## ECONOMIC CONDITIONS IN NETHERLANDS INDIA

B. C. BUTLER, ACTING TRADE COMMISSIONER

(Guilder values have been converted to Canadian currency at the rate fl. equals 68 cents Canadian. One metric ton equals 2,205 pounds)

Singapore, October 9, 1936.—There has been some improvement in business conditions in Netherlands India during the present year. Even though the prices of export commodities have continued low, the gross return is somewhat higher. The import totals are slightly below the 1935 figures, but this can be expected in view of the good crops being harvested by the natives this year. There is now no danger of a food shortage, and it may be expected that the natives will have more money in the future to spend on imported goods. Government revenues for the first seven months of the present year totalled \$151,232,000 as compared with \$146,812,000 in the same period of 1935. There has been some reduction in the circulation of bank notes but an increase in coins, indicating that, while the purchasing power of the country is relatively low, native purchases are increasing.

## DEVALUATION OF THE GUILDER

At time of writing the guilder has just been devaluated following the departure of the franc from gold. This can be taken as a definitely favourable development for Netherlands India, as her products should now be more competitive in world markets than they have been for the past four years, although internal prices and the general cost of living will naturally rise.

At the moment there is some uncertainty as to the further trend of the exchange and ordering will probably be deferred until equilibrium is reached. That the country's export products have become more competitive is evidenced by the action of the Government in immediately increasing the export duty on native rubber by 30 per cent as soon as the devaluation came into effect. Had this step not been taken, the efficient working of the International Restriction Scheme might have been in danger.

#### POLICY OF RESTRICTION

The Government continues its policy of restriction of imports and control over commercial enterprises by means of quotas and licences. New measures have been introduced during the year with respect to ferrous sulphate, new classes of textiles, crockery, porcelain, certain groups of metalware, earthenware, and soap. A new packing ordinance was brought into effect in May and special regulations have since been imposed upon the packing of vinegar and margarine.

#### GIFT TO NETHERLANDS INDIES GOVERNMENT

The Netherlands Government has made a gift to the Netherlands Indies Government of \$17,000,000, payable in three yearly instalments, and to be devoted to the economic welfare of the country. The money is to be allotted to irrigation, colonization, buildings, roads, sanitation, agriculture, forestry, industry, and fisheries.

#### TRADE

The total trade of the country for the first seven months of 1936 amounted to \$306,964,000 as compared with \$291,631,000 in the same period of 1935. Imports in this period of the present year totalled 909,190 metric tons valued at \$103,588,000 as compared with 976,034 tons valued at \$108,871,000 in this period of 1935. In the import classifications small increases are recorded under the headings chemicals, metals, machinery and tools, and decreases under food-stuffs and luxuries, yarns and fabrics, paper and paper products, and vehicles. Exports to the end of July totalled 5,360,708 tons valued at \$203,375,000 as compared with 5,435,002 tons valued at \$182,759,000 to the end of July, 1935.

#### EXPORT COMMODITIES

##### RUBBER

Rubber prices have improved during the present year as a result of the satisfactory working of the international restriction. Native production has been capable of a greater degree of control than was anticipated. This control takes the form of an export duty which is regularly amended in accordance with fluctuations in price. With the recent weakening of the guilder the duty on native rubber exports has been raised from 25 cents to 34 cents per kilogram at time of writing.

Exports of native rubber in the first half of the present year totalled 73,600 tons valued at \$19,652,000 as compared with 87,100 tons valued at \$15,028,000 in the same period of 1935. Exports of estate-produced rubber to the end of June totalled 70,600 tons valued at \$17,612,000 as compared with 76,400 tons valued at \$21,012,000.

The exports of native rubber are just below the quota allowed, and increasing quantities of native-grown milled and smoked sheets are being exported direct to the United States, whereas formerly the export was principally to Singapore, where the milling and smoking was done. In 1934, 87 per cent of the native production was shipped to Singapore. In 1935 the percentage was

reduced to 75, and in the first half of the present year it has again been reduced to 66.

The registration of native plantations is being hurried to completion with a view eventually to placing them on an assessment basis similar to that applied to European-owned estates. When that occurs the export duty on native rubber will probably be discontinued. Its purpose has been to compensate the European estates for the degree of restriction forced upon them by reason of the excessive exports of native rubber. At the end of the first half of the present year total exports were more than 17,000 tons under the quota, almost entirely due to the fact that European estate production has been drastically curtailed to compensate for the production of the native growers.

#### SUGAR

Harvesting and milling operations began in the sugar industry of East Java during the second quarter of the year; twenty-nine mills are in operation. Exports to the end of June, 1936, were 384,500 tons valued at \$9,996,000 as compared with 558,700 tons valued at \$12,376,000 in the same period of 1935. With 1928 as 100, the index of the price of sugar stood at 35 as compared with 34 at the same time in 1935.

#### TIN

The quota of production during the first quarter of the year was 90 per cent of the basic allotments, and in the second and third quarters 85 per cent. These high quotas have permitted considerably greater exports, the total at the end of June being 17,400 tons valued at \$14,416,000 as compared with 10,200 tons valued at \$8,772,000 at the end of June, 1935.

#### PETROLEUM

Petroleum production has increased slightly and values are practically unchanged. The total export of petroleum products for the first half of the year was 2,602,300 tons valued at \$29,512,000 as compared with 2,561,700 tons valued at \$29,716,000 in the same period of 1935.

#### TEA AND COFFEE

Exports of tea in the first half of the year were 36,900 tons valued at \$15,300,000 as compared with 35,900 tons valued at \$14,960,000 in the first half of 1935, and of coffee 29,100 tons valued at \$3,740,000 against 31,800 tons valued at \$4,964,000.

#### TOBACCO

Tobacco exports to the end of June were 39,700 tons at \$21,080,000 as compared with 41,900 tons at \$21,284,000 in the first half of the previous year. Prospects for the tobacco crops of Java and Sumatra are considerably better than last year as a result of the reduction in the duty on imported tobacco into the United States. Meanwhile the tobacco estates of Netherlands India have imposed a voluntary restriction of exports as they did last year.

#### NATIVE PRODUCE

Turning to the products from which the natives derive the bulk of their income, the following figures show the exports of these commodities in the first half of the present year with the corresponding period of 1935 in parentheses: copra, 228,000 tons at \$11,016,000 (213,400 tons at \$5,304,000); palm oil, 72,200 tons at \$6,392,000 (56,500 tons at \$1,904,000); pepper, 22,100 tons at \$2,176,000 (20,200 tons at \$3,264,000); fibres, 53,500 tons at \$4,080,000 (61,700 tons at \$4,964,000); maize, 108,100 tons at \$1,904,000 (74,100 tons at \$1,632,000).

## BAUXITE DEPOSITS

The company exploiting the bauxite deposits on the island of Billiton are reported to have an agreement with German buyers for the delivery of 100,000 tons during the present year. It is understood that this contract has been largely filled, and that a further contract for the same quantity has been negotiated for 1937.

## ROYAL NETHERLANDS INDIES AIRWAYS

The Government subsidy to the Royal Netherlands Indies Airways (K.N.I.L.M.) has been reduced from \$272,000 to \$163,200 annually. However, the company has grown rapidly and met with remarkable success in the past few years. It has a surplus of over \$680,000, which has been largely built up from the Government subsidies.

## FREIGHT RATES TO JAPAN

Agreement has been reached between the Dutch and Japanese shipping lines with regard to cargo and freight rates to and from Japan and Netherlands India. It has been suggested that this might lead to the negotiation of a commercial treaty between the two countries, as the conference held for that purpose a year ago failed mainly because it was impossible at that time to reach an agreement on the shipping question.

## UNEMPLOYMENT AND COST OF LIVING

Unemployment has increased slightly as compared with 1935. The number of unemployed natives has been reduced, but at the end of May there were more unemployed Europeans than at the same time last year.

The cost of living index for Europeans for the first half of the present year (base year 1913) stood at 86.5 as compared with 87.6 for the same period of 1935. The index of native cost of living was 61.3 as compared with 66.3 in the previous year. The index of export commodity prices stood at 41.5 as compared with 43 in 1935, and that of import prices 70.6 as compared with 72 in the previous year.

## ECONOMIC CONDITIONS IN SIAM

B. C. BUTLER, ACTING TRADE COMMISSIONER

(All values have been converted to Canadian dollars at the rate of one tical equals 45 cents Canadian. One metric ton equals 2,205 pounds)

Singapore, October 9, 1936.—Business in Siam has somewhat improved during the present year. Trade returns for the first seven months show that while imports have declined slightly from \$29,592,000 in that period of 1935 to \$29,276,000 in 1936, export values have increased from \$42,225,000 to approximately \$45,000,000.

## INDUSTRIES

## RICE

The national economy of Siam depends almost entirely upon the condition of the rice market, and during the third quarter of the year that market showed definite signs of improvement. There was a recovery in the demand from Europe and Cuba, and to a lesser degree from India. Due to a partial crop failure in the Philippines, large purchases were made by Manila dealers. The demand from Hongkong continues to be weak due to the high duty on rice entering Canton since that province has been included under the general tariffs imposed by the Nanking Government. The price in Singapore has tended down-

ward. In Bangkok, however, the generally improved demand caused an advance in prices during August, and the price now averages about \$33 per ton as compared with \$27.58 in the first quarter of the year, \$25.22 in the year 1934-35 (fiscal year ending March 31), and \$25.30 in the year 1933-34.

Exports of rice for the first seven months of the crop year (December-June inclusive) have totalled 945,728 metric tons valued at \$25,794,000 as compared with 1,006,490 metric tons valued at \$25,965,000 in the same period of last year and 973,621 tons at \$20,395,000 in the 1933-34 season. Thus the quantities exported during the present year have been smaller than in the past two or three years, but the values received have been generally higher.

#### TEAK

The universal rearmament programs have improved the market for Siam teak; the income from that industry in the first seven months of the present year was \$1,566,500 as compared with \$1,062,000 in the same period of 1935. This is a most welcome development for the many companies engaged in exploiting the teak forests, especially since the thirty-year concessions terminate in 1939 and in recent years operations have been unprofitable. The Government of Siam is giving consideration to the question of whether the teak concessions will be renewed. At present 88 per cent of the industry is in the hands of foreign companies, 7 per cent in those of Siamese private companies, and 5 per cent Government.

#### TIN

Exports of tin ore up to the end of July this year totalled in value \$6,683,000 as compared with \$6,675,000 in the same period of 1935. Siam has benefited materially from the international restriction and many new areas have been brought into production. As a result, Siam has greatly increased her potentialities as a tin-producing country, and she has signified her unwillingness to subscribe to a new international restriction agreement unless she is granted a much larger quota than the other producing countries are prepared at present to consider. The Siamese official *Gazette* states the country's case for an increased quota, as follows:—

The present quota allotted to Siam permits the production and export during the second half of 1936 of 5,390 tons, and against this quota applications for permits to mine have been received for a total of 9,399 tons. Thus, on the basis of this period, Siam's restriction amounts to 33 per cent of her capacity, while the other producing countries are working at 85 per cent of capacity. The counter-argument of the other producing countries is that they have made considerable sacrifices in the past and that Siam has reaped the benefit. They insist that it is now her turn to bear a share of the burden on the industry. A basis for agreement has not yet been achieved, but it is generally expected that agreement will be reached by the end of the present year when the existing restriction scheme terminates.

Exports of rubber at the end of July this year totalled in value \$4,320,000 as compared with \$3,119,000 at the end of July, 1935.

#### ROAD CONSTRUCTION

Indicative of the modernization of Siam under the present Government is the recent announcement that road building is to take an important place in Government expenditures. The proposed scheme is to be completed in eighteen years at a cost of about \$75,000,000, and it will provide more than 9,000 miles of modern roads. Immediate plans call for the construction of 1,900 miles of roads at a cost of \$15,000,000, the work to be undertaken during the next five years. Up to the present Siam has been practically without roads, and this construction program, if carried out, will do much toward the opening up of the country along modern lines.

## FINANCE

Despite all the political and economic troubles through which Siam has been passing in recent years, her national finances and the currency have remained perfectly sound. The value of the currency in circulation at the end of August was equivalent to \$59,100,000, which is about \$1,000,000 less than in August, 1935, but about \$5,500,000 more than in August, 1934. Against this currency issue the reserve in August this year totalled \$68,400,000, of which about \$49,000,000 is in sterling securities and the balance in silver coins.

**JAPANESE CORPORATION PROFITS, JANUARY TO JUNE, 1936**

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

(One yen at the present rate of exchange equals approximately 29 cents Canadian funds)

Tokyo, October 16, 1936.—According to a survey just completed by Mitsui Gomei Kaisha, profits for 1,250 joint-stock companies in Japan averaged 11·3 per cent for the first half of 1936. The rate of profit was the same as that for the second half of 1935, but shows a gain of 1·10 per cent when compared with the rate of profit for the first six months of 1935.

## STATISTICAL POSITION

Of the 1,250 companies, 1,191 made profits of 507,500,000 yen and 59 lost 3,500,000 yen. The net profit of 503,900,000 yen meant 11·3 per cent to the total paid-up capitalization involving 8,884,000,000 yen and 8·5 per cent to the total authorized capitalization involving 11,833,000,000 yen.

The number of companies showing losses fell by four from the same period of last year but increased by one when compared with the last six months of 1935. Losses showed an increase of 740,000 yen and 1,610,000 yen compared with the similar period of last year and the previous six months respectively.

The amount added to the profit and loss surplus was 138,000,000 yen as compared with 131,000,000 in the 1935 similar period and 141,000,000 in the last six months of 1935. The rate of surplus to paid-up capital was 3·1 per cent, the same as in the 1935 similar period, but showed a decrease as against 3·2 per cent of the last six months of 1935. Of the total only 188 companies passed dividends, which shows a decrease of 11 as against the 1935 similar period and a decrease of 2 compared with the previous six months.

## GENERAL INDUSTRIAL CONDITIONS

The general industrial situation continued to improve in the first half of 1936, although there were such handicaps as over-production, high prices of raw materials, and low prices of manufactured goods. In the textile industry, spinning and weaving and rayon manufacturing continued to show lower profits, while woollen textiles continued to advance through higher prices for manufactured woollen goods because of an advance in those of wool. In the food-stuffs industry sugar experienced a boom because of a heavy domestic demand and increased export trade. Beer was favourable, but flour was depressed due to less demand.

The chemical industry showed profits. There was an active demand for fertilizer, which greatly helped companies manufacturing this product. Business was better for paper mills, leather companies, and the ceramic industry.

There was much activity in the heavy industries, although iron and steel showed little profit due to the high prices of materials. The copper industry was healthy; car-making and shipbuilding continued to "boom." Machine-making was active and mining prosperous.

Owing to lower profits in trading and security companies, commerce was unfavourably affected. Department store business was satisfactory. Stock exchange and real estate business was poor. In the public utility business, electric light and power were good, and gas was favourable. Railways and street cars showed increased profits. Shipping profits were off due to keen competition overseas. Warehouse business was weak. Rubber plantation profits were satisfactory.

#### COMPANIES MAKING ANNUAL RETURNS

In addition to the 1,250 companies reported above, there were some 80 joint-stock companies who settle their accounts annually. They have a total paid capitalization of 246,800,000 yen. Their profits were 34,300,000 yen, a gain of 3,100,000 yen over the previous year. This gain is to be attributed to a marked revival in the silk-reeling business and good results of insurance companies.

#### COMPANIES EXTERNAL TO JAPAN

The survey also covered sixty banks and companies in Korea, Formosa, Saghalien, and the Kwantung Leased Territory, with total paid capitalizations of 452,500,000 yen. These companies had profits of 31,800,000 yen, or 14.1 per cent, for the first six months of 1936, which shows a gain of 9,300,000 yen over the previous six months.

#### PROFITS REALIZED AND PROFIT RATES

Profits realized by various lines of business and profit rates for the first half of 1936, compared with the second half of 1935, were as follows:—

	2nd Half 1935		1st Half 1936	
	Profits 1,000 Yen	Profit Rate Per Cent	Profits 1,000 Yen	Profit Rate Per Cent
Banking.. . . .	80,072	12.0	81,597	12.2
Trust.. . . .	5,075	13.1	5,121	13.5
Spinning, weaving.. . . .	33,575	15.5	32,164	14.8
Woollen textiles.. . . .	6,728	11.7	6,880	11.9
Hemp manufacturing.. . . .	883	10.2	834	9.7
Rayon yarn.. . . .	10,671	15.8	8,503	13.2
Beer brewery.. . . .	6,301	17.8	6,833	19.3
Sugar milling.. . . .	4,684	15.6	5,346	17.8
Wheat flour.. . . .	2,008	18.4	1,647	14.4
Leather.. . . .	601	16.5	759	20.1
Paper milling.. . . .	13,624	16.6	14,128	15.4
Cement.. . . .	8,651	10.7	7,716	9.5
Ceramics.. . . .	4,509	20.0	4,629	20.2
Chemical.. . . .	22,945	13.9	24,851	14.4
Iron, steel.. . . .	37,917	15.9	38,281	16.0
Copper.. . . .	5,049	22.9	6,267	23.9
Car and shipbuilding.. . . .	9,913	9.7	11,644	11.4
Machinery.. . . .	24,192	20.3	26,161	20.9
Mining.. . . .	32,520	14.2	32,420	14.1
Commerce.. . . .	21,351	14.6	19,554	13.3
Department stores.. . . .	2,668	13.1	2,111	10.1
Bourse.. . . .	5,516	10.2	5,079	9.4
Real estate.. . . .	2,982	4.0	3,046	4.1
Electricity.. . . .	82,542	8.3	86,442	8.4
Gas.. . . .	11,476	9.7	12,054	10.2
Railway, trolley.. . . .	20,498	5.4	20,886	5.4
Shipping.. . . .	8,534	8.6	6,978	7.0
Warehousing.. . . .	1,344	3.9	1,154	3.3
Rubber plantation.. . . .	855	6.9	1,063	8.5
Miscellaneous.. . . .	27,655	11.3	29,806	12.0
General average.. . . .	495,435	11.3	503,970	11.3

## DIVIDED AND UNDIVIDED PROFITS

The following table gives in percentages the average rates of divided and undivided profit for the first half of 1936, compared with the second half of 1935:—

	2nd Half 1935		1st Half 1936	
	Ave. Rates of	Ave. Rates of	Ave. Rates of	Ave. Rates of
	Divided Profit Per Cent	Undivided Profit Per Cent	Divided Profit Per Cent	Undivided Profit Per Cent
Banking.. . . .	7.5	4.5	7.5	4.7
Trust.. . . .	5.1	8.0	4.9	8.6
Spinning, weaving.. . . .	12.3	3.2	11.8	3.0
Woollen.. . . .	8.5	3.2	8.7	3.2
Hemp manufacturing.. . . .	7.6	2.6	7.4	2.2
Rayon.. . . .	14.3	1.5	11.9	1.3
Beer.. . . .	12.3	5.5	12.5	6.8
Sugar.. . . .	10.3	5.3	13.0	4.8
Wheat flour.. . . .	12.1	6.3	11.4	3.0
Leather.. . . .	10.3	6.1	10.2	9.9
Paper.. . . .	10.6	6.0	9.9	5.4
Cement.. . . .	7.9	2.8	7.7	1.8
Ceramics.. . . .	15.5	4.5	15.6	4.6
Chemical.. . . .	9.7	4.2	10.0	4.4
Iron, steel.. . . .	7.4	8.5	8.2	7.8
Copper.. . . .	10.8	12.1	12.4	11.5
Car and shipbuilding.. . . .	6.7	3.0	6.6	4.7
Machinery.. . . .	13.2	7.1	12.7	8.1
Mining.. . . .	10.4	3.8	10.4	3.6
Commerce.. . . .	9.7	4.8	9.7	3.6
Department stores.. . . .	10.9	2.1	11.0	....
Real estate.. . . .	3.1	1.0	3.1	1.0
Bourse.. . . .	8.8	1.4	8.2	1.1
Electricity.. . . .	7.2	1.0	7.7	0.7
Gas.. . . .	9.0	0.7	9.0	1.2
Railway, trolley.. . . .	4.9	0.7	5.0	0.7
Shipping.. . . .	5.7	2.9	4.5	2.4
Warehousing.. . . .	2.6	1.3	2.4	0.9
Rubber plantation.. . . .	6.6	0.3	7.2	1.3
Miscellaneous.. . . .	7.6	3.7	8.5	3.5
General average.. . . .	8.1	3.2	8.2	3.1

## GLASS INDUSTRY AND TRADE OF JAPAN

P. V. McLANE, ASSISTANT TRADE COMMISSIONER

(For purposes of comparison the average rate of the yen in 1932 was 31 cents; in 1933, 28 cents; in 1934, 29.575 cents; and in 1935, 29 cents Canadian funds)

Kobe, October 5, 1936.—Although the glass industry was established in Japan as early as 1873, it was the cessation of imports from Europe during 1914 and the war years that stimulated the rapid expansion and development which has resulted in its present important position in the industrial scene of Japan. The peak of production was in 1934, the last year for which figures are available, when total output was valued at 58,857,043 yen. The previous peak had been in 1920, when output was valued at 53,500,000 yen. This, however, was achieved on a smaller volume as prices have fallen since that time. Glass manufacture in Japan covers a very wide range of articles, including sheet glass, bottles, tableware, ornaments, mirrors, and articles for electrical and medicinal purposes.

## PRODUCTION

Classified according to kind, production for the years 1932, 1933, and 1934, has been as follows, according to the factory returns compiled by the Ministry of Commerce and Industry:—

	1932 Yen	1933 Yen	1934 Yen
Total.. . . .	37,503,455	53,041,170	58,857,043
Tableware.. . . .	4,193,457	4,143,424	5,454,356
For ornament.. . . .	1,415,353	1,138,688	1,569,095
For lighting purposes.. . . .	1,124,672	1,779,456	1,986,125
For electric purposes.. . . .	1,571,263	1,904,455	96,230
For medical use.. . . .	555,122	276,914	974,198

	1932	1933	1934
	Yen	Yen	Yen
Acid-resisting and heat-resisting glass . . . . .	225,508	80,000	166,803
Bottles, etc. (including thermos flasks) . . . . .	11,463,319	17,360,189	20,349,458
Plate or sheet glass . . . . .	14,171,091	22,372,909	23,427,306
Mirrors . . . . .	235,182	288,865	433,656
Other glassware . . . . .	2,548,488	3,696,270	4,499,816

Production of plate glass and sheet glass, confined to two large producers, is steadily increasing. The output of bottles is increasing even more rapidly and, except for the large breweries which make their own bottles, the industry is confined to small enterprises. Osaka, Tokyo, and Hyogo are the main manufacturing centres. Another item which is showing a rapid expansion is the manufacture of tableware, with Osaka as the chief producing centre.

### IMPORTS

In comparison to production of glass in Japan, imports are relatively small and, according to various items as classified in the trade returns, were as follows for 1935 and 1934, according to value:—

	1935	1934
	Yen	Yen
Plate or sheet glass (uncoloured under 2.2 mm. in thickness)	337,357	953,959
Plate glass (uncoloured under 4 mm. in thickness) . . . . .	287,593	357,117
Plate or sheet glass (uncoloured, other) . . . . .	1,810,376	1,856,536
Plate or sheet glass (other) . . . . .	459,852	676,850
Plate glass having inlaid wire or net . . . . .	637,449	753,667
Dry plates for photography (undeveloped) . . . . .	1,736,132	1,823,972
All other potteries, glass, glass manufactures and clay products . . . . .	1,053,391	1,010,952
Total . . . . .	6,322,050	7,433,053

The item, plate or sheet glass less than 2.2 mm. in thickness, consists mainly of window glass and originates for the most part in the Kwantung Province, being produced by a company with Japanese affiliations. Other supplies in small amounts come from Czechoslovakia. Plate glass having inlaid metal wire or net originates in Germany, Belgium, Great Britain, the United States, and France. A recent announcement states that a new glass company is to begin production of this type of glass hitherto not produced in Japan. Dry plates for photography are imported chiefly from Great Britain, with smaller amounts from Germany. Japanese production of this item is increasing, but imports still sell on a quality basis.

### EXPORTS

Exports of glass products are rapidly expanding and are becoming increasingly diverse. New markets are being found in all parts of the world. According to value, exports for the years 1934 and 1935 were as follows:—

	1935	1934
	Yen	Yen
Window panes . . . . .	1,219,222	1,596,897
Thermos bottles . . . . .	2,284,493	1,653,534
Other glass bottles . . . . .	5,741,398	4,618,445
Drinking vessels . . . . .	3,891,084	3,327,013
Glass tableware . . . . .	1,242,414	926,473
Watch glasses . . . . .	181,582	132,761
Glass beads and balls . . . . .	989,238	1,351,928
Spectacles . . . . .	2,055,557	1,451,375
Looking glasses . . . . .	3,572,891	2,645,098
Other glasses and glass manufactures . . . . .	2,159,655	1,750,779
Total . . . . .	23,337,534	19,454,303

Some of these items are destined for as many as ninety-five different countries. The principal buyers in order of importance, however, are: British India, United States, Dutch East Indies, China, Straits Settlements, Philippine Islands, South Africa, Australia, Siam, Great Britain, Manchukuo, Kwantung Province, Hongkong, and French Indo-China.

## HIGHWAY DEVELOPMENT IN CHINA

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

(At present rate of exchange, one Chinese dollar is equal to approximately 30 cents Canadian)

Shanghai, October 1, 1936.—Although the construction of highways in China is said to have begun on a small scale some twenty years ago, the first real impetus to the building of modern roads was furnished by the American Red Cross in 1920. Out of this beginning, during the next few years a body embracing various foreign relief organizations, known as the China International Famine Relief Commission, gave assistance to road-building by providing funds with which to employ the famine-stricken masses in the construction of highways. The work of the International Famine Relief Commission also stimulated the formation in 1921 of the National Good Roads Construction Association of China, popularly known as the Good Roads Movement, and a considerable amount of educational work has since been carried on by this body.

While certain provincial governments had from time to time set up highway administration departments, it is generally recognized that on the practical side the International Famine Relief Commission did more than any other single medium towards the actual construction of roads in this country, prior to the coming into power of the present National Government at Nanking in 1928. The last five years, however, have witnessed a progress in highway construction since the National Economic Council of the Central Government at Nanking took up the task of developing a co-ordinated system of modern highways in China.

### WORK OF THE NATIONAL ECONOMIC COUNCIL

The National Economic Council, as its name implies, is an organ of the Central Government at Nanking concerned with carrying out a program of national economic reconstruction, and among other activities the council, realizing the importance of highways in developing commerce, and with an eye to the strategic military advantages of a network of roads, undertook the establishment of a Bureau of Public Roads in 1932. When this bureau was set up, the original intention was that it should map out a national highway system to co-ordinate with the road programs of various provinces, to give assistance to provincial highway administrations on technical matters, and to formulate traffic regulations and supervise their execution. Furthermore, the bureau undertook to provide loans for the carrying out of schemes which had its approval.

### CONSTRUCTION PROGRAMS

The first effort of the bureau was centred on what is described as the "Three Province" program, which had for its object the linking up of existing highways in Chekiang, Kiangsu, and Anhwei provinces in Central China—a scheme which involved the completion of six separate highways. This particular project, which was completed by October, 1933, embraces just over 646 miles of roads.

The satisfactory results from the "Three Province" road project encouraged the mapping out of what is known as the "Seven Province Road Project," embracing the highways systems of the three provinces of Kiangsu, Chekiang, and Anhwei and the four additional provinces of Kiangsi, Hupeh, Hunan, and Honan. This project called for the building of eleven trunk lines of a total length of 7,143 miles and sixty-three branch lines amounting to 6,840 miles, making a total of 13,983 miles. According to a report recently issued by the National Economic Council covering its activities at the end of 1935, over 9,670 miles of this scheme have been completed.

Commencing early in 1934, the bureau extended its activities to include the building of over 700 miles of roads in Fukien Province, which lies to the south of Anhwei in Central China, of which just over 370 miles are understood to have been completed.

#### FINANCIAL ASSISTANCE

The roads in the above-mentioned schemes have been built by the various provincial governments under the supervision of the Bureau of Public Roads, which also gave technical assistance. Financial help was rendered by the National Economic Council, which allocated in 1932 the sum of \$1,000,000 (about Canadian \$300,000) for the building of the six interprovincial highways identified with the "Three Province" project.

According to a report of the Bureau of Roads issued in May of this year, taking into consideration the subsequent loans granted for various projects, a grand total of \$9,500,000 (Canadian \$2,850,000) had been issued up to the end of 1935. The policy of the council as a rule has been to lend from 30 to 40 per cent of the cost of the roads to the provinces, which amount is paid out gradually as work on the roads progresses. The road fund regulations also include a definite arrangement for repayment of the loans, so that the fund itself will be a revolving fund for further lending in connection with the building of additional roads.

#### TRUNK ROADS

Apart from the road construction undertaken by the different provinces as reported above, the Bureau of Roads has itself undertaken responsibility for the building of three main trunk roads in Northwest China. The roads in question are 462, 260, and 87 miles in length. Two of these, which were begun in 1934, have since been completed. The construction of these highways renders the Northwest much more accessible to the rest of China and it is calculated to considerably hasten the development of that distant region.

#### INTERPROVINCIAL HIGHWAY TRAFFIC COMMISSION

Besides the assistance rendered in the actual building of interprovincial highways, the Bureau of Roads at Nanking has taken a prominent part as an advisory body in developing traffic between the various provinces. To this provincial Highway Traffic Commission, comprising representatives of the council and of experts from the provinces of Kiangsu, Chekiang, and Anhwei, and the municipalities of Greater Shanghai and Nanking. This commission is an advisory body and makes recommendations in regard to traffic regulation and management, bus services and traffic facilities such as the erection of gasoline stations, the installation of telephones and road-signs, policing, etc. It has also performed important services in unifying the licensing system and abolishing unnecessary tolls, in which work it has been successful to such an extent that a single licence now suffices for all the provinces having representation on the commission instead of separate licences for each province and municipality being necessary, as was formerly the case.

The Bureau of Roads has also undertaken a great deal of research and experimentation work and, with the object of improving the technique of road-building, two experimental roads were constructed in the vicinity of Nanking. The first road,  $1\frac{1}{4}$  miles long, was made with various types of pavement, only such materials as are produced in the locality being used in its construction. This road was made with the object of testing the economy and durability of the different kinds of surfacing, and a report on its construction was given much prominence at the last International Road Congress at Munich, Germany.

The other experimental road, a little over 1 mile in length, was built in order to compare the relative economy and efficiency of various bituminous materials for surface dressing of claybound macadam, which is now becoming very popular in China.

### PROGRESS MADE IN HIGHWAY CONSTRUCTION MILEAGE

According to an estimate prepared by the National Good Roads Association, less than 100 miles of so-called improved roads existed in all China (exclusive of streets in the foreign concessions) in 1921, whereas by the end of 1935, according to a report issued by the Bureau of Roads, it was estimated that approximately 43,666 miles of modern roads were open to traffic. This figure refers to China proper and does not include outlying territories.

Out of the total of 43,666 miles, 11,380 consisted of surfaced highways, the balance being made up of ordinary dirt roads.

At the end of 1935 the Bureau of Roads estimated that there were just over 8,000 miles of roads still under construction in China and the projected mileage of highways under contemplation is calculated at 23,700.

### METHODS OF CONSTRUCTION

The term "surfaced highways" as applied to China does not necessarily mean hard surfaced highways as recognized in Canada. Many of the surfaced roads in this country are merely so-called macadam highways made of broken stone mixed with earth.

Apart from surfaced roads, the usual method of ordinary dirt road construction throughout China is to cut or fill to the level of the proposed road. When this required level is reached, the road may be either rolled by crude locally made hand-pulled rollers or left to the traffic to be broken down. Apart from these rollers, the mechanical equipment used is practically nil, although to some extent railway dump carts have been employed. If the stretch happens to be a cut, the material excavated is usually shovelled by hand into baskets and carried away to a fill by coolies supporting the load on a bamboo pole slung from shoulder to shoulder. Usually the surface of dirt roads is levelled by the employment of a native-made form of rake having three prongs. If rock is readily available in the vicinity, it may be used either for foundation or surface purposes.

In a number of provinces throughout China forced labour has been employed in road construction.

It is the consensus of opinion here that it will be a long time before China, with her abundant cheap labour, will turn to the use of imported mechanical equipment in the construction of her highways. Efforts put forward some years ago in such a direction by one well-known United States firm, involving the sending out to this country of technical experts and demonstration equipment at considerable expense, brought no results.

### INFORMATION ON EXCHANGE RESTRICTIONS

During the period of unsettled exchange conditions in many countries, it has been the practice to publish in the *Commercial Intelligence Journal* from time to time fairly complete reviews of the principal features of the exchange situation in countries regarding which it is most important that Canadian exporters be adequately informed. Canadian Trade Commissioners resident in territories where exchange control is in force are under instruction to prepare reports for publication dealing with major alterations in the methods of control and with revisions of policy or of regulations that affect imports from Canada. Apart from these published reports, the Commercial Intelligence Service has on file unpublished data which will be freely furnished, on request, to Canadian firms desiring information with regard to exchange conditions in specified countries.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### United Kingdom Tariff Revision Proposals

The Import Duties Advisory Committee of the United Kingdom give notice of applications for increases in the import duty on pliers, pincers, and nippers (excluding medical, surgical, dental, veterinary, and dissecting instruments, and nail nippers and nail clippers). The present rate on these goods when the value does not exceed 9s. per dozen is 1s. 6d. per dozen, or, if it would yield a greater amount of duty,  $33\frac{1}{3}$  per cent ad valorem; when exceeding 9s. per dozen, 3s. per dozen, or, if it would yield a greater amount of duty, 20 per cent ad valorem.

The committee also give notice of applications for an increase in the import duty on shirt fronts made wholly or partly of paper, the present duty being 20 per cent ad valorem.

Goods of the foregoing descriptions which are Canadian products within the meaning of the Imperial preference regulations are guaranteed duty free entry under the terms of the Canada-United Kingdom Trade Agreement of 1932.

### Northern Ireland Agricultural Marketing Regulations

Mr. James Cormack, Canadian Trade Commissioner in Dublin, writes under date October 26, 1936, that the Northern Ireland Ministry of Agriculture has approved and issued regulations affecting the grading and marking of butter and eggs of all producers registered under the marketing schemes devised by the Agricultural Marketing Acts.

With regard to butter, grading is made compulsory, and samples must be submitted to the Ministry for such purpose from each churning. The wrappers, cartons, and packages must be marked specially in accordance with the following:—

All vegetable parchment paper used for lining the heads of packages containing butter in bulk or for wrapping bricks or rolls of butter, and all cartons used for packing butter must bear the words: "Ulster creamery butter, premium grade; butter and cream marketing schemes (Northern Ireland), 1936," together with the Hand of Ulster in red surmounting or surrounded by the words "Premium grade." The vegetable parchment paper, cartons, and packages shall, in addition, show the registered number assigned to the premises of the producer.

With regard to eggs, retailers are to be licensed. A record of the names and addresses of the Class A wholesale dealers from whom eggs are bought by them must be kept, and the quantities of eggs bought and sold are subject to varying restrictions with regard to origin or purchase and if sold for use in manufacture.

### New Zealand Customs Rulings

Recent rulings of the New Zealand customs, as to the classification and rates of duty on articles regarding which question had been raised, include the following:—

High tension switch fuses, being combined insulators and fuses, for use on high tension electric transmission lines, free of duty under the British preferential tariff, 25 per cent ad valorem under the general tariff.

Outdoor or service fuses, being combined insulators and electric fuses, free under the British preferential tariff, 25 per cent ad valorem under the general tariff.

Escutcheons, window-frames, or dial fronts, bakelite or metal, glazed or unglazed, to be used in New Zealand in the manufacture of wireless broadcast receiving sets, free under the British preferential tariff, 25 per cent ad valorem under general tariff. (Bakelite window-frames, being ornamental frames for attachment to radio cabinets, were formerly ruled to be dutiable at 15 per cent ad valorem under the British preferential tariff and 50 per cent ad valorem under the general tariff: vide *Commercial Intelligence Journal* of October 17, 1936, page 751.)

Leather coated with baked vegetable-oil-collodion lacquer, as approved, free of duty under both British preferential tariff and general tariff.

Ice-cream pie machine, for cutting ice-cream into blocks and coating them with chocolate, free of duty under both British preferential tariff and general tariff (formerly free and 25 per cent ad valorem respectively).

Car enclosures and collapsing gates for electric lifts, 20 per cent ad valorem under the British preferential tariff and 45 per cent ad valorem under the general tariff.

Pneumatic tires identifiable as parts of agricultural tractors, as approved, free under British preferential tariff, 10 per cent ad valorem under the general tariff (formerly 2½d. per pound under the British preferential tariff, and 8d. per pound under the general tariff).

Electric outboard marine motors, free under the British preferential tariff, 25 per cent ad valorem under the general tariff. (The electric motor, switch, and propeller are separately dutiable under appropriate items.)

Canadian products under the above items are accorded preferential rates; the general tariff applies to most countries outside the British Empire.

### **New Zealand Primage Duty on Metals**

A New Zealand Customs Primage Order, effective as from September 1, 1936, exempts from primage duty copper, iron, lead, tin, and other metal, in billets, blooms, ingots, or pigs. (This order supersedes that exempting lead in ingots or pigs from primage duty, which had been in effect since 1934.) Primage duty in New Zealand is 3 per cent ad valorem, and applies only when the goods are free of ordinary customs duty.

### **New Guatemalan Sanitary Code for Food Products and Beverages**

Mr. S. G. MacDonald, Assistant Trade Commissioner in Mexico City, reports under date October 29 that on September 8 and 9, 1936, a new Guatemalan Sanitary Code applicable to foodstuffs, beverages, medicinal products, and pharmaceutical specialties became effective.

Under the new law all the provisions for registration, sale, and control of medicinal products and pharmaceutical specialties already required under a previous law of August 12, 1932, are reiterated, while a somewhat similar control is made over food products. The importation, manufacture, and sale of packaged foodstuffs, beverages, and similar products are to be prohibited unless previously registered with the Department of Public Health. Only such foodstuffs and beverages authorized for sale and consumption in the country of origin may be imported into Guatemala. Each food product or beverage sold in packaged form must bear a label showing the name of the manufacturer, address of factory, name and address of the importer, and sanitary registration number of the product. The sale of adulterated and deteriorated products is prohibited, and regulations are laid down respecting the use of colouring matter in foodstuffs.

### **BRITISH TRADE COMMISSIONERS IN CANADA**

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 901-902 Bank of Hamilton Building, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Western Canada), 850 West Hastings Street, Vancouver. Telegraphic address: "Vancom."

The Officer-in-Charge (for Manitoba and Saskatchewan), British Trade Commissioner's Office, 703 Royal Bank Building, Winnipeg. Telegraphic address: "Wincom."

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOVEMBER 9

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 9, and for the week ending Monday, November 2, 1936, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending November 2	Nominal Quotations in Montreal Week ending November 9	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1868	\$ .1867	3½
Belgium . . . . .	Belga	.1001	.1686	.1689	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0354	.0354	3
Denmark . . . . .	Krone	.2680	.2181	.2173	3½
Finland . . . . .	Markka	.0252	.0215	.0215	4
France . . . . .	Franc	.0392	.0465	.0463	2
Germany . . . . .	Reichsmark	.2382	.4018	.4017	4
Great Britain . . . . .	Pound	4.8666	4.8862	4.8692	2
Greece . . . . .	Drachma	.0130	.0089	.0090	7
Holland . . . . .	Guilder	.4020	.5400	.5357	2½
*Hungary . . . . .	Pengo	.1749	.2955	.2951	4
Italy . . . . .	Lira	.0526	.0526	.0525	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0230	5
Norway . . . . .	Krone	.2680	.2454	.2446	3½
Poland . . . . .	Zloty	.1122	.1882	.1880	5
Portugal . . . . .	Escudo	.0442	.0444	.0442	4½
Roumania . . . . .	Leu	.0060	.0073	.0075	4½
Spain . . . . .	Peseta	.1930	.....	.....	5
Sweden . . . . .	Krona	.2680	.2518	.2510	2½
Switzerland . . . . .	Franc	.1930	.2297	.2295	2
United States . . . . .	Dollar	1.0000	.9993	.9987	1½
Mexico . . . . .	Peso	.4985	.2773	.2772	4-5
Cuba . . . . .	Peso	1.0000	.9986	.9990	—
Guadeloupe . . . . .	Franc	.0392	.0465	.0463	—
Jamaica . . . . .	Pound	4.8666	4.8962	4.8792	—
Martinique . . . . .	Franc	.0392	.0465	.0463	—
Other British West Indies	Dollar	1.0138	1.0175	1.0144	—
Argentina . . . . .	Peso (Paper)	.4245	.3258	.3246	3½
		Unofficial	.2763	.2762	—
Brazil . . . . .	Milreis (Paper)	.1196	.0867	.0862	—
		Unofficial	.0586	.0584	—
British Guiana . . . . .	Dollar	1.0138	1.0175	1.0144	—
Chile . . . . .	Peso	.1217	.0516	.0516	4½
		Unofficial	.0416	.0416	—
Colombia . . . . .	Peso	.9733	.5689	.5686	4
Peru . . . . .	Sol	.2800	.2498	.2497	6
Venezuela . . . . .	Bolivar	.1930	.2460	.2497	—
Uruguay . . . . .	Peso	1.0342	.8019	.8003	—
South Africa . . . . .	Pound	4.8666	4.88	4.8631	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.0062	4.9938	—
China (Shanghai) . . . . .	Dollar	.....	.2934	.2972	—
Hongkong . . . . .	Dollar	.....	.3033	.3046	—
India . . . . .	Rupee	.3650	.3691	.3676	3
Japan . . . . .	Yen	.4985	.2855	.2844	3.29
Java . . . . .	Guilder	.4020	.5427	.5378	—
Siam . . . . .	Baht (Tical)	.4424	.4481	.4460	—
Straits Settlements . . . . .	Dollar	.5678	.5731	.5709	—
Australia . . . . .	Pound	4.8666	3.9087	3.895	—
New Zealand . . . . .	Pound	4.8666	3.94	3.9262	2½

\* Unofficial: .1978

The Dominion Bureau of Statistics has supplied the following note:—

Declines in sterling and French franc rates were the centre of attention during the first week of November. Reports were current of a considerable movement of Continental funds from London to New York, but these could not be confirmed. The sharp break in the franc on November 5 indicated that the French Stabilization Fund had followed British precedent in allowing rates to react to heavy selling. Switzerland joined in the gold transfer agreement on November 3, permitting the free transfer of gold to and from exchange stabilization authorities of the United Kingdom, the United States, and France. A slight discount on New York funds at Montreal continued throughout the week.

**TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS**

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—  
Secretary, Board of Trade—

Saint John, N.B.	Chatham, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Stratford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Woodstock, Ont.	Vancouver, B.C.
Toronto, Ont.	St. Mary's, Ont.	New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Belleville, Ont.	Hamilton, Ont.
Kingston, Ont.	Peterborough, Ont.	Victoria, B.C.
Oshawa, Ont.	London, Ont.	Prince Rupert, B.C.

Commercial Intelligence Service, Municipal Affairs Department, Quebec.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency.
<b>Foodstuffs—</b>			
Canned Goods.....	704	Panama City, R.P.....	Purchase and Agency.
Apples and Pears (Raw).....	705	Tel Aviv, Palestine.....	Agency or Commission
Flour.....	706	Guayaquil, Ecuador.....	Agency.
Cheese.....	707	Lima, Peru.....	Agency.
Condensed Milk.....	708	Lima, Peru.....	Agency.
Malto Dextrene.....	709	Cape Town, South Africa.....	Purchase.
Dried Shrimp.....	710	Panama City, R.P.....	Purchase.
Dried Codfish.....	711	Panama City, R.P.....	Purchase and Agency.
Haddock.....	712	Havana, Cuba.....	Agency.
<b>Miscellaneous—</b>			
Fish Oil (Edible, Refined, Hydrogenated, Hardened).....	713	Alexandria, Egypt.....	Agency or Commission
Ladies' Sports Shoes.....	714	Wellington, New Zealand.....	Purchase.
Ladies' Walking Shoes.....	715	Wellington, New Zealand.....	Purchase.
Ladies' Shoes, McKay or "stuck-on" Soles, in Multiple Fittings.....	716	Wellington, New Zealand.....	Purchase.
Children's Shoes, Medium Grade.....	717	Wellington, New Zealand.....	Purchase.
Children's Felt Slippers.....	718	Salisbury, South Rhodesia.....	Agency.
Men's Shoes.....	719	Wellington, New Zealand.....	Purchase.
Blotting Paper.....	720	Lima, Peru.....	Agency or Purchase.
Newsprint in Rolls and Sheets.....	721	Lima, Peru.....	Agency or Purchase.
Match Sticks.....	722	Mexico City, Mexico.....	Agency.
Sitka Spruce and Douglas Fir.....	723	Amsterdam, Holland.....	Purchase and Agency.
Safety Stoppers for Demijohns.....	724	Montevideo, Uruguay.....	Purchase.
Pyroligneous Acid free from Acetic Acid.....	725	Montevideo, Uruguay.....	Purchase.

## CERTIFICATES OF ORIGIN FOR BRITISH PREFERENCES

Canadian exporters are reminded of the importance of supplying correct certificates of origin for goods entitled to preferential tariff treatment in Empire countries. The regulations to be observed vary enough to preclude use of uniform documentation for the different British markets. As regards the principal market, the United Kingdom, goods regarded as growth or produce require 100 per cent Empire content; optical goods and parts require 75 per cent; a selected list of manufactured goods (see F.T.D. Leaflet No. 95) require 50 per cent; for other manufactured goods 25 per cent Empire content suffices. A small number of ingredients must qualify independently for preference. Each "article" is subject to the preference test separately, so that when machinery, etc., is shipped to the United Kingdom knocked-down each separate assembly or part must qualify in itself to be entitled to preference. Notice 27A of the London Custom House, issued in March, 1935, prescribes appropriate forms as follows: D, 119 (Sale), for growth or produce; E, 120 (Sale), for manufactured goods; F, 121 (Sale), for manufactured tobaccos and sugars; FF, 122 (Sale), a supporting certificate for ingredients.

## PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

### From Montreal

- To Liverpool.*—Duchess of Atholl, Nov. 20; Duchess of Bedford, Nov. 25; Montrose, Nov. 26—all Canadian Pacific; Andania, Cunard-White Star Line, Nov. 20.
- To London.*—Beaverhill, Nov. 20; Beaverford, Nov. 26—both Canadian Pacific; Ausonia, Nov. 20; Alaunia, Nov. 27—both Cunard-White Star Line.
- To Manchester.*—Manchester Division, Nov. 19; Manchester Citizen, Nov. 25; Manchester Regiment, Nov. 28—all Manchester Line.
- To Avonmouth, Cardiff and Swansea.*—Norwegian, Cunard-Donaldson and Dominion Lines, Nov. 25.
- To Southampton.*—Montrose, Canadian Pacific, Nov. 26.
- To Glasgow.*—Sulairia, Nov. 20; Letitia, Nov. 27—both Donaldson-Atlantic Line.
- To Newcastle and Leith.*—Cairnglen (calls at Dundee), Nov. 19; Cairnross, Nov. 28—both Cairn-Thomson Line.
- To Aberdeen and Hull.*—Kyno, Ellerman's Wilson Line, Nov. 26.
- To Belfast.*—Lurigathan, Head Line (cargo accepted for Cork), Nov. 18.
- To Antwerp and Havre.*—Grey County, Nov. 26; Brant County, Nov. 27—both County Line.
- To Rotterdam.*—Alaska, Nov. 23; Hada County, Nov. 28—both County Line.
- To Hamburg.*—Frankfurt (calls at Bremen), North German Lloyd Line, Nov. 27.
- To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Akre, Gardiaz Line, Nov. 16.
- To St. John's, Nfld., and St. Pierre-Miquelon.*—Delta, Nov. 19; a steamer, Nov. 23—both Shaw SS. Co.; Belle Isle, Newfoundland-Canada SS. Co., Nov. 20.
- To Cornerbrook, Nfld.*—North Voyageur, Clarke SS. Co., Nov. 16.
- To Puerto Rico, Barbados, Trinidad and Demerara.*—Cornwallis, Canadian National, Nov. 25 (calls at Guadeloupe and Martinique if sufficient cargo offered).
- To Kingston (Jamaica) and Belize (British Honduras).*—Cathcart, Canadian National, Nov. 20.
- To Brisbane, Sydney, Melbourne and Adelaide.*—City of Canton, Montreal Australia New Zealand Line, Nov. 21.
- To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Canadian Constructor, Montreal-Australia-New Zealand Line, Nov. 24.
- To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London and Durban.*—Calgary, Nov. 15; Egba (calls at Walvis Bay, Lourenco Marques and Beira), Nov. 25—both Elder Dempster Lines Ltd.
- To Cape Town, Port Elizabeth, East London and Port Natal (Durban).*—Olaf Bergh, Montreal Shipping Co. Ltd., Nov. 14.
- To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Ripon, Ellerman & Bucknall SS. Co., Nov. 25.
- To Santos and Buenos Aires.*—Dagrun (calls at Montevideo but not at Santos), Canada-South America Line, Nov. 18.

### From Saint John

*To Liverpool.*—Montcalm, Dec. 4; Duchess of York, Dec. 12; Montclare, Dec. 18; Montrose, Dec. 25—all Canadian Pacific.

*To London.*—Beaverbrae, Dec. 3; Beaverdale, Dec. 10; Beaverburn, Dec. 17; Beaverford, Dec. 24—all Canadian Pacific.

*To Manchester.*—Manchester Port, Dec. 10; Manchester Producer, Dec. 17; Manchester Division, Dec. 24—all Manchester Line.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Dec. 11.

*To Avonmouth, Cardiff and Swansea.*—Airthria, Dec. 10; Dakotian, Dec. 26—both Cunard-Donaldson and Dominion Lines.

*To Glasgow.*—Delilian, Dec. 17; Sulairia, Dec. 31—both Donaldson-Atlantic Line.

*To Antwerp and Hamburg.*—Beaverburn, Canadian Pacific, Dec. 17.

*To Barcelona, Marseilles, Genoa, Naples, Messina, Palermo, Valencia and Seville.*—Capo Lena, Capo Line, Dec. 14.

*To Montevideo and Buenos Aires.*—Nordkap, Canada-South America Line, Dec. 20; Flint II (calls at Santos but not at Montevideo), International Freighting Line, Dec. 23.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, Nov. 25; Lady Nelson, Dec. 9; Lady Hawkins, Dec. 23—all Canadian National.

*To Kingston and Jamaican Outports.*—A steamer, United Fruit Line, Nov. 21 and Dec. 5.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—A steamer, American and Indian Line, November.

### From Halifax

*To Liverpool.*—Nova Scotia, Furness Line, Nov. 28; Manchester Hero, Manchester Line, Dec. 2; Montcalm, Dec. 5; Duchess of York, Dec. 13; Montclare, Dec. 19—all Canadian Pacific; Lancastria, Cunard-White Star Line, Dec. 7.

*To London.*—Capulin, American Hampton Roads (calls at Hull and Dundee), Nov. 26; Beaverbrae, Dec. 4; Beaverdale, Dec. 11; Beaverburn, Dec. 18; Beaverford, Dec. 25—all Canadian Pacific; Ascania, Dec. 6; Aurania, Dec. 13; Ausonia, Dec. 27—all Cunard-White Star Line.

*To Manchester.*—Manchester Commerce, Nov. 15; Manchester Spinner, Nov. 24; Manchester Hero, Dec. 2; Manchester Port, Dec. 12—all Manchester Line.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Dec. 12.

*To Cardiff, Bristol and Swansea.*—Gloucester City, Nov. 23; Montreal City, Dec. 21—both Bristol City Line.

*To Aberdeen, Newcastle and Hull.*—Kelso, Ellerman's Wilson Line, Dec. 19.

*To Avonmouth, Cardiff and Swansea.*—Airthria, Dec. 12; Dakotian, Dec. 28—both Cunard-Donaldson and Dominion Lines.

*To Glasgow.*—Delilian, Donaldson-Atlantic Line, Dec. 19.

*To Newcastle and Leith.*—Cairnglen, Nov. 23; Cairnross, Dec. 1—both Cairn-Thomson Line; Cold Harbor, American Hampton Roads, Dec. 10 (does not call at Newcastle).

*To Antwerp.*—Beaverburn, Canadian Pacific, Dec. 18.

*To Hamburg.*—Capulin, American Hampton Roads, Nov. 26; Beaverburn, Canadian Pacific, Dec. 18.

*To Copenhagen and Baltic Ports.*—Pilsudski, Nov. 30; Batory, Dec. 14—both Gdynia-America Line (call at Gdynia).

*To Gothenburg.*—Drottningholm, Nov. 21; Gripsholm, Dec. 10—both Swedish-America Line.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Townsend, Furness-Red Cross Line, Nov. 16 and 30; Kongshaug, Newfoundland-Canada SS. Ltd., Nov. 16; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Nov. 18; Nova Scotia, Furness Line, Nov. 28 (does not call at St. Pierre).

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, Nov. 19; Lady Drake, Dec. 3; Lady Nelson, Dec. 17—all Canadian National.

*To Santiago (Cuba) and Kingston (Jamaica).*—Ciss, Pickford & Black Ltd., Nov. 18.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Chomedy, Nov. 16; Cornwallis, Nov. 29; Colborne, Dec. 12—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Lady Rodney, Nov. 26; Cavalier (does not call at Hamilton or Nassau), Dec. 3; Lady Somers, Dec. 10—all Canadian National.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Siamese Prince, Nov. 21; Silverwalnut, Dec. 5—both Silver-Prince Line.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Armada, Montreal-Australia-New Zealand Line, Dec. 28.

*To Auckland, Wellington, Lyttelton and Dunedin.*—Canadian Highlander, Montreal-Australia-New Zealand Line, Dec. 21.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, Nov. 18; Hiye Maru, Dec. 5; Heian Maru, Dec. 26—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Talthybius (calls at Miike but not at Manila), Blue Funnel Line, Nov. 22; Empress of Asia (calls Nagasaki), Nov. 27; Empress of Canada (calls Honolulu), Dec. 12; Empress of Russia (calls Nagasaki), Dec. 18—all Canadian Pacific.

*To Tsingtao and Dairen.*—Harpasa, Ocean Shipping Co., early November.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Silveray, Silver-Java Pacific Line, Nov. 30.

*To Honolulu, Suva, Auckland and Sydney.*—Niagara, Dec. 2; Aorangi, Dec. 30—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Cloud (calls at Lyttelton and Dunedin if sufficient cargo offered), Oceanic and Oriental Navigation Co., Dec. 20.

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Limerick (calls at New Plymouth and Bluff), Nov. 25; Hauraki (calls at Papeete), Dec. 31—both Canadian-Australasian Line.

*To Papeete, Beauty Point, Melbourne and Sydney.*—Cape Horn, Canadian-Australasian Line, Nov. 23.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Anten, Empire Shipping Co., Dec. 14.

*To Sydney, Melbourne and Adelaide.*—Wearpool, November; Uganda, November; Induna, November; Bolton Hall, November-December—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Nichteroy, Nov. 28; Damsterdyk (calls at Glasgow), Dec. 12; Lochgoil, Dec. 26—all Holland-America Line.

*To London, Liverpool and Cardiff.*—Vernon City, Reardon Smith Line, Dec. 3.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—San Antonio, Nov. 26; Oregon, Dec. 10—both Empire Shipping Co.

*To Scandinavian Ports.*—Argentina, Nov. 19; Canada, Dec. 7—both Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Leme, Dec. 5; Fella, Dec. 31—both Empire Shipping Co.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—Olympus, Canadian Transport Co., last week of November.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Silverpalm, Silver-Java Pacific Line, Dec. 5.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Hoyanger, Nov. 27; a steamer, Dec. 28—both Empire Shipping Co.

### From New Westminster

*To United Kingdom Ports.*—Kassandra Louloudis, Nov. 23; Abraham Lincoln, Dec. 11—both Canadian Shipping Co.; Cressdene, Nov. 25; Queen City, Nov. 25; Tilsington Court, Nov. 29—all Seaboard Shipping Co.; Geddington Court, Canadian Transport Co., Nov. 25.

*To London, Liverpool and Glasgow.*—Gaelic Star (also calls at Rotterdam and Antwerp), Nov. 25; Ionic Star (also calls at Rotterdam and Newcastle), Dec. 7—both American Mail Line Ltd.; Corrientes, Balfour Guthrie & Co., Nov. 28; Nichteroy (also calls at Southampton and Rotterdam). Royal Mail Lines, Nov. 29; Pacific Shipper (also calls at Manchester), Furness Line, Dec. 4.

*To Havre, Rotterdam, Liverpool and Glasgow.*—Oregon Express, Nov. 25; British Columbia Express, Dec. 8—both B. W. Greer & Son Ltd.

*To Australian Ports.*—Eli, Nov. 25; Chris. Knudsen, Nov. 25—both Anglo-Canadian Shipping Co.; Naumea, Canadian Transport Co., Nov. 25.

*To Chinese Ports.*—Silvurray, Dingwall Cotts & Co., Nov. 29.

*To Japanese Ports.*—Tyndareus, Dodwell & Co. Ltd., Dec. 10.

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

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### Australia

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*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

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### Germany

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**CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.**

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*Johannesburg:* J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

**United Kingdom**

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London:* W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

**United States**

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

# COMMERCIAL INTELLIGENCE JOURNAL

Vol. LV

Ottawa, November 21, 1936

No. 1712



British Columbia Cedar Shingles being unloaded at the  
Erie Basin, Brooklyn, N.Y.

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LV

Ottawa, November 21, 1936

No. 1712

## FRESH AND FROZEN SALMON IN THE LONDON MARKET

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, November 6, 1936.—Fresh and frozen salmon imports into the United Kingdom in 1935 amounted to over 14,000,000 pounds valued at more than \$3,000,000. Canadian producers provided about 5,300,000 pounds valued at some \$900,000. The channels of exportation of frozen salmon from Canada to this market are so well established that routine details of procedure need no longer be elaborated, but exporters will probably be interested in a statistical review of the sources of supply.

It may be noted that importation into the United Kingdom is in the hands of a limited number of fishmongers, many of whom have their headquarters in London. Some of the importers are grouped together in an organization having as its general objective the maintenance of a stable price; there are, however, other importers who are not allied to this group because they consider that prices are maintainable without any firm being involved in the difficulties so frequently a part of such associations. Prevailing conditions indicate that importation will probably continue along individualistic lines.

### IRISH FREE STATE COMPETITION

A study of the statistics given below will show that the value per unit of the fresh salmon imported from the Irish Free State averages about twice that of the Canadian frozen salmon. This arises from two important considerations. In the first place it is natural that fish delivered fresh, only a few hours out of the water, should be considered more tasty than fish frozen and marketed a fortnight or more after it is caught. Secondly, the impression prevails locally that salmon from the waters of the British Isles is superior to other salmon. Canadian producers should specifically bear in mind, however, that their product is not actually in direct competition with the Scotch or Irish fish. Salmon from local waters is purchased by the wealthier classes, to whom Scotch salmon is in a class by itself, and who demand the fresh local produce and who will use no other. Imported salmon is not suited to this trade, but enjoys a field of its own among the less wealthy who cannot afford the more expensive domestic fish but who appreciate and purchase salmon within their means. This fact gives particular point to the division of import statistics into the two groups, fresh and frozen.

### IMPORTATIONS

The following data have been prepared with a view to indicating trends of importation during the past four years. Quantities are given in hundredweights of 112 pounds and values are in pounds sterling.

*Importations of Salmon and Migratory Trout*

	1932		1933		1934	
	Cwts.	£	Cwts.	£	Cwts.	£
Total.. . . .	103,750	565,988	116,074	599,672	109,332	586,938
Canada.. . . .	28,792	120,500	47,675	185,750	41,181	168,383
Newfoundland ..	12,993	55,539	16,018	64,329	13,031	60,851
Irish Free State..	28,701	249,869	20,678	216,832	24,454	211,970
United States.. .	23,210	87,652	22,366	78,654	15,512	56,690
Norway.. . . .	4,465	28,128	4,080	31,924	8,282	50,369
Russia.. . . .	3,498	13,724	3,313	11,871	1,785	8,902
Germany.. . . .	230	1,791	76	958	650	6,123
Denmark.. . . .	9	21	83	412	2,818	13,554
Others.. . . .	1,852	8,764	1,785	8,942	1,619	10,096

Total importations in 1935 amounted to 125,165 cwts. (112 pounds) valued at £613,057, indicating a continued increase of quantity and value; details are given below. Importations in the first nine months of 1936 totalled 108,626 cwts. valued at £535,435, compared with 122,909 cwts. valued at £603,602 in the same months of 1935, a decrease which will undoubtedly make itself felt in the totals for the year; no details by countries are yet available.

It is not possible to ascertain what proportion of the above totals are true salmon and what are migratory trout, but in view of the close relationship of the two, there appears little real need to make any differentiation. It is possible, however, to indicate the respective proportions of the importations of fresh salmon, including that packed in crushed ice, in relation to the importations of chilled or frozen salmon. This differentiation is a valuable one from the point of view of the Canadian exporter and indicates rather clearly the nature of the place occupied by Canadian fish in the trade. The following table indicates the proportions and also gives details for the countries not separately listed above, as well as providing details for 1935 not given in the previous table:—

*Importations of Fresh and Frozen Salmon from Principal Countries*

	Fresh Salmon				Frozen Salmon			
	1934		1935		1934		1935	
	Cwts.	£	Cwts.	£	Cwts.	£	Cwts.	£
Total.. . . .	37,645	291,993	38,782	282,837	71,687	294,945	86,383	330,220
Canada.. . . .	....	....	....	....	41,181	168,383	47,327	180,317
Newfoundland.. .	....	....	....	....	13,031	60,851	21,102	97,556
United States.. .	487	1,648	....	....	15,025	55,042	15,849	48,440
Russia.. . . .	132	866	4	8	1,653	8,036	7	26
France.. . . .	60	766	66	903	473	1,731	....	....
Japan.. . . .	....	....	....	....	317	863	2,097	3,879
Irish Free State..	24,454	211,970	25,477	213,430	....	....	1	2
Norway.. . . .	8,282	50,369	8,152	44,615	....	....	....	....
Denmark.. . . .	2,818	13,554	4,204	17,093	....	....	....	....
Germany.. . . .	644	6,091	43	316	6	32	....	....
Poland.. . . .	160	2,357	370	4,066	....	....	....	....
Iceland.. . . .	296	1,879	461	2,340	....	....	....	....
Holland.. . . .	187	1,705	3	50	....	....	....	....
Sweden.. . . .	76	438	1	4	....	....	....	....
Lithuania.. . . .	41	308	1	12	....	....	....	....

A few facts are obvious from these data. Canada is by far the most important supplier of frozen salmon and ships more than the total of all competitors, including the two principal ones, Newfoundland and the United States. Russia has withdrawn from the market, temporarily at least, while Japan is endeavouring to obtain a foothold in the market for frozen salmon. The Irish Free State controls about two-thirds of the supply of imported fresh salmon, although supplies are augmented by Norway and Denmark; a number of other countries sell minute quantities.

## TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in Canada in the interest of Canadian trade with their respective territories: Mr. G. B. Johnson, Glasgow; Mr. Frederick Palmer, Bristol (whose territory includes the West of England, South Wales, and South Midlands); and Mr. R. P. Bower, who was Acting Trade Commissioner at Batavia, Java.

Their itineraries are as follows:—

### Mr. Johnson

St. Catharines. . . . .	Nov. 23	Montreal and district. . . . .	Dec. 7 to 22
Niagara Falls, Fort Erie. . . . .	Nov. 24	Granby . . . . .	Dec. 23
London, Woodstock . . . . .	Nov. 25 and 26	Quebec, Thetford Mines. . . . .	Jan. 6
Windsor and district. . . . .	Nov. 27 and 28	Fredericton and District. . . . .	Jan. 8
Stratford and district . . . . .	Nov. 30 and Dec. 1	St. John. . . . .	Jan. 9 to 12
Kitchener and district . . . . .	Dec. 2 to 4	Bridgetown. . . . .	Jan. 13
Guelph . . . . .	Dec. 5	Halifax, Sunnybrae . . . . .	Jan. 14 and 15
Brampton . . . . .	Dec. 5		

### Mr. Palmer

Edmonton . . . . .	Nov. 23	St. John. . . . .	Dec. 1 and 2
Saskatoon . . . . .	Nov. 24	Yarmouth . . . . .	Dec. 3
Winnipeg . . . . .	Nov. 25	Bridgetown and Kentville. . . . .	Dec. 4 and 5
Ottawa . . . . .	Nov. 27	Halifax . . . . .	Dec. 7
Fredericton . . . . .	Nov. 30		

### Mr. Bower

Vancouver. . . . .	Nov. 23 to 28	Victoria. . . . .	Dec. 1
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Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Winnipeg, Edmonton, Vancouver, and Victoria, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## AGREEMENTS BETWEEN CANADA AND GERMANY

The text of the Provisional Trade Agreement and Payments Agreement between Canada and Germany, which was signed at Ottawa on October 26, 1936, together with the explanatory statement on the Agreements that appeared in *Commercial Intelligence Journal* No. 1709 (October 31), has been reprinted in pamphlet form. Copies of this publication may be obtained free of charge by interested Canadian institutions and firms on application to the Department of Trade and Commerce, Ottawa.

## EXTERNAL TRADE OF CYPRUS IN 1935

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(Figures are in Cyprus £, one Cyprus £ being equivalent to £1 sterling; one Cyprus piastre is equal to 1½d.; and one oke is the equivalent of 2·832 pounds)

Cairo, October 19, 1936.—According to figures issued by the authorities of Cyprus, the total value of goods imported into the island reached £1,481,491 in 1935 as compared with £1,419,162 in 1934, an increase of £62,779 or 4·42 per cent; the total declared value of merchandise exported during the year under review amounted to £1,189,006 as against £1,079,427 in 1934, an advance of £109,576 or 10·15 per cent; and the excess of visible imports over visible exports passed from £339,586 (31·47 per cent) in 1934 to £292,935 (24·64 per cent) in 1935; thus the sum of £46,651 was written off the debit side. If account is taken

of invisible exports and imports, which are placed at £488,000 and £184,000 respectively in 1935, the trade of Cyprus presented in reality an active balance of £11,065 for the past year.

### IMPORTS

#### IMPORTS BY COUNTRIES

The following table shows in what countries imports originated, and what was the share of each: —

	1935 £	Per Cent of Total	1934 £	Per Cent Total Imports
Total.....	1,481,941	100.00	1,419,162	100.00
British Empire.....	672,136	45.36	647,456	45.62
Roumania.....	111,921	7.55	100,410	7.08
Germany.....	101,198	6.83	81,092	5.71
Greece.....	78,641	5.31	70,358	4.96
Japan.....	71,047	4.80	79,239	5.58
Egypt.....	60,655	4.09	68,148	4.80
Italy.....	60,034	4.05	93,599	6.60
Belgium.....	47,850	3.23	33,126	2.33
United States.....	33,692	2.27	24,641	1.74
France.....	26,239	1.77	26,505	1.87
Czechoslovakia.....	24,590	1.66	19,343	1.36
Brazil.....	22,461	1.52	13,636	0.96
Sweden.....	20,291	1.37	16,209	1.14
Yugoslavia.....	19,311	1.30	14,333	1.01
Holland.....	17,682	1.19	19,081	1.34
Austria.....	16,412	1.11	13,682	0.96
Denmark.....	13,038	0.88	22,925	1.62
Bulgaria.....	11,003	0.74	13,417	0.95
Poland.....	10,511	0.71	3,610	0.25
Turkey.....	7,444	0.50	20,087	1.42
Other countries.....	55,785	3.76	38,265	2.70

#### IMPORTS FROM EMPIRE COUNTRIES

Imports from the British Empire taken as a whole increased by £24,680. Rises were observed in imports from the United Kingdom (£32,618), British India (£20,744), Canada (£914), Malta (£859), and Palestine (£2,323); and declines took place in imports from Australia (£31,391), British East Indies (£1,116), and other British possessions (£271). Increases in United Kingdom exports to Cyprus of cotton piece-goods (£22,955) and silk piece-goods (£4,979) were the direct result of the imposition of quota restrictions on the import of certain textile goods from foreign countries; other notable advances were in yarns and threads (£11,064), and woollen piece-goods (£3,762). Being also favoured by the quota restrictions on cotton piece goods, India enjoyed an increase in the export of this commodity (£14,039); other increases comprised sacks (£2,725), and dressed leather (£3,762). Imports from Canada showed but a slight alteration. As regards Australia, the reduction in imports into Cyprus is to be ascribed to smaller shipments of flour, a consequence of the good cereal crop harvested in the colony.

#### IMPORTS FROM FOREIGN COUNTRIES

Among foreign countries, Roumania continued to hold first rank, followed by Germany, Greece, Japan, Egypt, Italy, Belgium, the United States, France, and Czechoslovakia. The foreign countries to take a larger share of the import trade of Cyprus included Roumania (£11,511), Germany, (£20,106), Belgium (£14,724), the United States (£9,051), Brazil (£8,825), Greece (£8,283), Poland (£6,901), Czechoslovakia (£5,244), Yugoslavia (£4,978), Sweden (£4,082), and Austria (£2,730). There was a decrease of £27,661 in imports of cotton and silk piece-goods from Japan, and increases in imports of woollen goods (£6,394) and other products, reducing the total decline to £8,192. Imports from Italy, which ceased in November, experienced a falling off of £33,565; cotton and

silk piece-goods gained some ground (£5,813 and £5,849 respectively), but flour showed a decrease of £36,087. The other decreases were imports from Denmark (£9,887), Turkey (£12,643), Egypt (£7,493), and Bulgaria (£2,414).

#### PRINCIPAL IMPORTS

The values of the principal items of import into Cyprus in 1935, as compared with 1934, are given hereafter in table form:—

Commodity	1935 £	1934 £	Difference £
Beans and peas.. . . . .	11,973	16,336	- 4,363
Coffee, raw.. . . . .	22,500	13,809	+ 8,691
Flour, wheaten.. . . . .	48,231	122,102	-73,871
Bean oil.. . . . .	11,640	18,652	- 7,012
Coconut oil.. . . . .	11,965	14,404	- 2,439
Fish, cured or salted.. . . . .	8,577	7,979	+ 598
Fish, canned.. . . . .	7,800	5,442	+ 2,358
Rice.. . . . .	13,279	13,550	- 271
Cheese.. . . . .	3,154	1,703	+ 1,451
Butter.. . . . .	1,827	2,802	- 975
Sugar.. . . . .	25,237	23,180	+ 2,057
Milk, preserved.. . . . .	6,704	6,574	+ 130
Tea.. . . . .	2,744	2,329	+ 415
Spirituous beverages.. . . . .	2,989	7,601	- 4,612
Tobacco, leaf.. . . . .	36,627	15,754	+20,873
Asphalt.. . . . .	12,969	13,045	- 76
Petroleum, crude.. . . . .	21,329	24,855	- 3,526
Timber.. . . . .	57,156	46,756	+10,400
Hardware and cutlery.. . . . .	38,171	26,971	+11,200
Machinery, mining.. . . . .	38,094	78,976	-40,882
Agricultural implements and tools.. . . . .	2,863	3,646	- 783
Oil engines.. . . . .	15,379	8,839	+ 6,540
Cotton yarns and thread.. . . . .	35,330	25,784	+ 9,546
Cotton piece-goods.. . . . .	98,287	73,515	+24,772
Cotton manufactures.. . . . .	38,903	41,299	- 2,396
Leather, sole.. . . . .	27,517	23,635	+ 3,882
Leather, dressed.. . . . .	21,711	16,370	+ 5,341
Stationery.. . . . .	11,755	9,515	+ 2,240
Benzine.. . . . .	34,718	33,707	+ 1,011
Kerosene.. . . . .	20,378	22,134	- 1,756
Motor cars and chassis.. . . . .	39,680	42,477	- 2,797
Motor car parts.. . . . .	8,150	7,581	+ 569
Cement.. . . . .	19,281	17,491	+ 1,790
Manure.. . . . .	28,960	38,073	- 9,113
Iron bars, joists, sheets, etc.. . . . .	23,948	15,889	+ 8,059
Iron piping and parts.. . . . .	19,065	17,313	+ 1,752
Iron and steel manufactures, other.. . . . .	41,438	43,858	- 2,420
Sacks, empty.. . . . .	19,269	16,462	+ 2,807
Silk piece-goods.. . . . .	35,993	21,668	+14,325
Woollen piece-goods.. . . . .	57,462	42,088	+15,374
Rubber tires and tubes.. . . . .	16,041	12,547	+ 3,494
Rubber manufactures, other.. . . . .	2,632	2,551	+ 81

The main features characterizing the above table are the abnormal character of certain increases, and an advance in imports generally. In September and October, 1935, when it was feared that as a result of the situation which had developed in the Mediterranean, difficulties might be experienced in obtaining supplies from abroad, certain commodities (sugar, coffee, timber) were imported in unusually large quantities. It remains, on the other hand, that good crops and expansion in the mining industry brought a greater degree of prosperity to the Island and, by way of consequence, favoured a rise in general imports.

#### ANALYSIS OF IMPORTS

In the following paragraphs is given an analysis of some of the principal commodities imported in 1935 into Cyprus, particularly those of interest to Canada, the figures relating to 1934 being within parentheses:—

*Wheat Flour.*—Imports of flour totalled £48,231 (£122,102), the decrease being due to a good crop of wheat in Cyprus. Australia's share was represented by £46,797 (£79,576). For-

merly France and Italy secured for themselves quite an important portion of the trade. During the past year Australia was practically the only source of supply. This situation is to be attributed to the considerable margin of Empire preference, flour being admitted at £1 per ton (2,240 pounds) under the preferential tariff as against £4 under the general tariff.

*Sugar.*—Up to 1934 nearly all the sugar imported into Cyprus came from the United Kingdom. In 1935 the United Kingdom was still the chief source of supply, but considerable quantities were received from Poland and Java, where prices were lower. Normal imports of sugar amounted to between 50,000 and 60,000 cwt. For reasons already given, imports reached 74,591 cwt. in 1935. They were distributed as follows: United Kingdom, 37,838 cwt. valued at £13,505 (51,638 cwt., £19,512); Poland, 17,743 cwt. estimated at £5,524 (nil); Java, 15,271 cwt. assessed at £4,769 (7,917 cwt., £2,721); and Austria, Belgium, Czechoslovakia, Egypt, Holland, Italy, Japan, and the United States, with limited quantities. Preferential tariff, 3 cp. an oke; general tariff, 3½ cp. an oke.

*Dried, Salted, and Pickled Fish.*—Total imports amounted to £8,577 (£7,979). The United Kingdom is credited with £5,910 (£5,098), and Portugal with £1,910 (£1,883). The other sources of supply include Austria, Egypt, Greece, Holland, Japan, Spain, and Syria. Imports from Canada amounted to £4 (nil). Preferential tariff, one-half full rate; full rate, 1 cp. an oke.

*Canned Fish.*—Under this heading is comprised canned fish of all kinds, the total imports of which amounted to £7,800 (£5,442). Imports from Canada amounted to £149 (£101). Other countries of import comprised Japan, £5,423 (£1,616); Portugal, £952 (£825); the United Kingdom, £771 (£183); and Australia, Belgium, Denmark, Egypt, France, Germany, Italy, Norway, Russia, Spain, and the United States. Preferential tariff, two-thirds full rate; full rate, 15 per cent ad valorem.

*Cheese.*—Total imports, £1,827 (£2,802). Bulgaria, the principal source of supply, is credited with £1,052 (£1,836). Canada contributed 48 cwt. valued at £149 (45 cwt., £137). The other importing countries were the United Kingdom, Australia, Egypt, Greece, Roumania, Turkey, Yugoslavia, Denmark, France, Germany, Holland, Italy, and Switzerland.

*Butter.*—The demand is for table and cooking butter in about equal quantities. Total imports amounted to £6,068 (£6,559), and came from Australia, £2,956 (£2,195); Syria, £1,397 (£1,456); Turkey, £823 (£1,163); and Palestine, Belgium, Egypt, French Possessions (Djibuti), Greece, United Kingdom, Austria, Denmark, Holland, Hungary, Italy, and Roumania. Preferential tariff, two-thirds full rate; full rate, 3 cp. an oke on cooking butter and 6 cp. an oke on table butter.

*Preserved Milk.*—Preserved milk was imported to the extent of £6,503 (£6,574). Sources of supply were the United Kingdom, £4,852 (£3,824); Holland, £1,269 (£1,983); Denmark, £339 (£388); and Egypt, Italy, Switzerland, the United States, Australasia, Finland, France, Germany, and Norway. Milk powder is imported in negligible quantities. Preferential tariff on preserved milk and milk powder, two-thirds full rate; full rate, 1½ cp. an oke.

*Spirituous Beverages.*—Imports of spirits of all sorts, spirituous compounds and cordials in bottles, totalled £2,989 (£2,480); they were almost exclusively from the United Kingdom, whose share amounted to £2,885 (£2,434), leaving an amount of £103 (£46) divided up between the British West Indies, France, Greece, Holland, and Italy. In 1935 there were no imports of spirits in casks. Preferential tariff, 50 per cent full rate on spirits imported in bottles and 60 per cent full rate on spirits in casks; full rate, 30s. a gallon in the case of spirits in bottles.

*Leaf Tobacco.*—Imports passed from 3,268 cwt. in 1934 to 5,529 cwt. in 1935; the bulk of the trade is in the hands of Greece. It is reported that the island's consumption of tobacco has steadily increased during the past two years, indicating greater spending power of the people after the three years' drought. The preferential duty on unmanufactured tobacco is 2s. 1 cp. an oke; full rate is 2s. 5 cp. an oke. Imported tobacco is designed for the manufacture of cigarettes.

*Timber.*—There was a substantial increase in imports of timber in 1935; this is attributed to the continued expansion of towns and also to the fact that in September and October there was a rush to lay in stocks when fear was had that supplies might be cut off or restricted. Imports totalled 801,275 cubic feet estimated at £57,156 (567,421 cubic feet, £46,756). The bulk of the imports is composed of the cheaper types of timber; supplies come principally from Roumania. Sweden is the next most important shipper, the timber from this source being of the better class. Canada's contribution was represented by £64 (£457) in planks and boards from British Columbia and by £23 (£18) in logs and beams, also from British Columbia. The preferential duty on timber is two-thirds full rate.

*Leather.*—Imports of leather, dressed, amounting to £21,711 (£16,370), originated mainly in Egypt, £4,423 (£6,504); British India, £4,058 (£293); Hungary, £4,263 (£2,358); United States, £1,936 (£736); Germany, £1,836 (£1,690); United Kingdom, £1,651 (£704); France, £1,251 (£1,200); Canada, £860 (£1,916); and Belgium, £728 (£10). It is observed that imports from Canada decreased by about 60 per cent. Preferential tariff, two-thirds full rate; full rate, 25 per cent ad valorem.

Out of imports of sole leather totalling £27,517 (£23,635), Egypt's contribution was £24,786 (£21,418). Canada is credited with £10 (£2) and the United States with £484 (£540). Preferential tariff, two-thirds full rate; full rate, 20 per cent ad valorem.

Imports of leather gloves, which amounted to £359 (£298), came from Czechoslovakia, £235 (£184), followed by Germany, Canada, United Kingdom, and United States. Preferential tariff, 12 per cent ad valorem; full rate, 20 per cent ad valorem.

**Machinery.**—Mining machinery is the most important single item under this heading. Imports passed from £78,976 in 1934 to £38,094 in 1935, a decrease of £40,882, the decline being due, not to reduced activities in the mines, but to large purchases in the previous year. Those sharing prominently in the trade were the United Kingdom with £27,255 (£71,396), Germany with £5,298 (£1,527), and the United States with £5,002 (£5,566). Other contributors were Austria, Belgium, Holland, Luxemburg, and Sweden. Mining machinery enters Cyprus free of duty.

As regards agricultural machinery and plant, 238 ploughs were imported in 1935 as compared with 145 in 1934, the sources of supply in order of importance being Czechoslovakia, Greece, Germany, Belgium, Palestine, and the United Kingdom; one reaper was imported from France in 1935, and none in the previous year; one thresher came from Germany in 1935; three tractors from the United States were sold in Cyprus during 1935 against six from the same source in 1934; and cream separators numbered nine, against two in 1934, the countries of origin being the United Kingdom, Sweden, Belgium, and Germany for the 1935 imports, and Sweden alone for those of 1934. In 1935 Canada did not share in the sale of agricultural machinery and plant. Duty free.

**Motor Cars.**—Motor cars represent the largest item of Canadian export to Cyprus. Total imports, amounting to 177 (194) units, were divided between the United Kingdom, 126 (147); Canada, 32 (37); Italy, 10 (3); and Germany, 2 (nil). Canadian motor cars sold in Cyprus comprised mostly Fords and Chevrolets. Preferential tariff, one-third full rate; full rate, 30 per cent ad valorem.

**Tires and Tubes for Motor Cars.**—Total imports amounted to £16,041 (£12,547), and originated in the United Kingdom, £11,828 (£9,517); Canada, £2,573 (£1,381); Belgium, £869 (£923); the United States, £743 (£692); France, Japan, and Italy. Preferential tariff, one-third full rate; full rate, 30 per cent ad valorem.

## EXPORTS

### EXPORTS UNDER MAIN COMMODITY GROUPS

In 1935 exports amounted to £1,189,006 as compared with £1,079,427 in 1934, and were distributed as hereafter, the commodity groups appearing in the following table being those adopted in the official statistics of Cyprus:—

Classification	1935	1934
Food, drink and tobacco.. . . . .	£ 471,435	£ 502,555
Raw materials and articles mainly unmanufactured..	572,311	441,450
Articles wholly or mainly manufactured.. . . . .	104,187	94,926
Animals not for food.. . . . .	39,652	35,592
Bullion.. . . . .	1,421	4,904
Total.. . . . .	£1,189,006	£1,079,427

It is apparent from the above that there was a decline in exports of food, drink and tobacco, and bullion, and an advance in those of raw materials and articles mainly unmanufactured, articles wholly or mainly manufactured, and animals not for food, while total exports indicated an increase of £109,576 or 10.15 per cent.

### DIRECTION OF EXPORTS

Subjoined is a table showing the distribution of Cyprus exports in 1935 and 1934 respectively:—

	1935 £	1934 £	1935 Per Cent	1934 Per Cent
United Kingdom.. . . . .	287,987	299,812	24.22	27.78
Other parts of the British Empire..	119,836	93,957	10.08	8.70
United States.. . . . .	185,956	22,725	15.64	2.11
Egypt.. . . . .	138,690	111,328	11.66	10.31
Germany.. . . . .	108,708	199,307	9.14	18.46
Holland.. . . . .	72,543	72,459	6.10	6.71
Greece.. . . . .	60,582	56,138	5.10	5.20
Italy.. . . . .	49,871	95,840	4.19	8.88

*Direction of Exports—Concluded*

	1935 £	1934 £	1935 Per Cent	1934 Per Cent
Belgium.. . . .	29,513	6,914	2.48	0.64
France.. . . .	23,505	30,519	1.98	2.83
Spain.. . . .	4,457	3,586	0.38	0.33
Turkey.. . . .	1,204	534	0.10	0.05
Roumania.. . . .	419	4,048	0.04	0.38
Other countries.. . . .	105,735	82,260	8.89	7.62
Total.. . . .	1,189,006	1,079,427	100.00	100.00

Of the countries enumerated above, the United States, Egypt, Belgium, Spain, and Turkey augmented their purchases from the island, while the United Kingdom, Germany, Holland, Greece, Italy, France, and Roumania diminished theirs. Despite her reduced purchases, the United Kingdom remained the best market for the Colony. Other parts of the British Empire indicated an increase of £25,879. As regards foreign countries, the United States headed the exports list, with an increase of £163,231 over the previous year, the items responsible for this advance being copper ore (£147,618), which was exported for the first time from Cyprus, asbestos, terra umbra, and wool.

## PRINCIPAL EXPORTS

The principal items of export from Cyprus included the following, each commodity being followed by the sign + or — within parenthesis to indicate increases or declines in 1935 as compared with 1934: beans and peas (+); whole and ground carobs (—); seed carobs (+); cheese (+); barley (—); vetches (—); wheat (+); embroidery and needlework (—); almonds (—); grapes (+); lemons (+); oranges (—); pomegranates (+); raisins (—); leaf tobacco (+); onions (+); potatoes (+); vinegar (+); wine (+); raw cotton (—); raw hides and skins (—); asbestos (—); copper ore (+); gold ore (—); metallie residues and wastes (—); terra umbra (+); pyrites (+); yellow ore (—); cumin seed (+); linseed (+); tumac (+); and wool (+).

The values of exports of some of the above-mentioned commodities are given hereafter, the figures for 1934 being within parentheses: asbestos, £50,174 (£64,254); copper ore, £147,618 (nil); pyrites, £194,782 (£142,458); wool, £14,166 (£8,358); potatoes, £68,246 (£59,241); onions £11,004 (£6,438); raisins, £17,222 (£40,479); wheat, £6,277 (£1,994); barley, £25,349 (£30,375); and cheese, £24,676 (£15,255).

## PRICES OF EXPORTS

It is reported that in 1935 as compared with 1934 there was a rise in the prices of nearly all the commodities exported from Cyprus. Raisins were a notable exception, and this was due to restrictions on imports into Germany and Roumania.

## BALANCE OF TRADE

## VISIBLE TRADE

The excess of imports into over exports from Cyprus, which was represented by £292,935 in 1935, was made up as follows, the position of each of the principal countries doing business with the Island being given:—

	Exports £	Imports £	Difference £
British Empire.. . . .	407,823	672,136	—264,313
Roumania.. . . .	419	111,921	—111,502
Germany.. . . .	108,708	101,198	+ 7,510
Greece.. . . .	60,582	78,641	— 18,059
Japan.. . . .	8,079	71,047	— 62,968
Egypt.. . . .	138,690	60,655	+ 78,035
Italy.. . . .	49,871	60,034	— 10,163
Belgium.. . . .	29,513	47,850	— 18,337
United States.. . . .	185,956	33,692	+152,264

	Exports £	Imports £	Difference £
France.. . . .	23,505	26,239	— 2,734
Czechoslovakia.. . . .	260	24,590	— 24,330
Brazil.. . . .	100	22,461	— 22,361
Sweden.. . . .	2,353	20,291	— 17,938
Jugoslavia.. . . .	1,456	19,311	— 17,855
Holland.. . . .	72,543	17,682	+ 54,861
Austria.. . . .	3,639	16,412	— 12,773
Denmark.. . . .	9,468	12,038	— 3,570
Bulgaria.. . . .	....	11,003	— 11,003
Poland.. . . .	2,268	10,511	— 8,243
Turkey.. . . .	1,204	7,444	— 6,204
Other countries.. . . .	82,569	55,785	+ 26,784
Total.. . . .	1,481,941	1,189,006	—319,454

The main features arising out of this table, the figures for 1934 being taken into consideration, are the decrease of the favourable balance with Germany from £118,215 to £7,510, which is attributed to minor purchases from Cyprus of mining products, raisins, carobs, and oranges; the passing from an adverse balance of trade (£1,916) to a favourable one (£152,264) with the United States, this being ascribed principally to shipments of copper ore; the reduction of the unfavourable trade balance with Japan, that country's exports having diminished as a result of quota restrictions imposed on imports of certain textile goods; and the almost disappearance of exports to Roumania, owing to trade and exchange restrictions there.

#### INVISIBLE EXPORTS AND IMPORTS

It is estimated that invisible exports and imports amounted in 1935 to £488,000 and £184,000 respectively, changing therefore the adverse balance of trade of £292,935 into a favourable one of £11,065.

Invisible exports consisted in revenue derived from mining and other companies (£120,000); visitors (£120,000); tourists (£4,500); British troops (£12,000); visits of navies (£15,000); shipping (£15,000); boats for tourists and visitors (£2,000); freight (£10,000); remittances from emigrants (£80,000); persons living upon incomes from abroad (£25,000); purchases of land by settlers (£20,000); commission and fees to insurance, shipping and other agents (£5,000); and profits on exports (£59,500).

Invisible imports comprised money sent away for education of children, money remitted for investment abroad, money taken away by persons on holiday and by emigrants, insurance, and payments to pensioners living abroad (£140,000); Imperial defence (£10,000); and payments on account of public debt (£34,000).

#### TRADE WITH CANADA

Imports from Canada in 1935 were valued at £19,903 compared with £18,989 in 1934. Motor cars, £13,610 (£13,742 in 1934), tires and tubes, £2,573 (£1,381), and dressed leather, £860 (£1,916), were the principal items.

Exports from Cyprus to Canada in 1935 were practically nil.

#### TRADE PROSPECTS

The population of the Colony of Cyprus is about 350,000, and the purchasing power of a large proportion of the inhabitants is low, nevertheless, and in spite of its accessibility to nearby European producing countries, Canada has for years managed to secure some business in Cyprus where, as a set-off against the high transport charges from the Dominion, her products enjoy British Empire preferential tariffs. Cyprus is primarily a price market, but it is a market which should not be neglected, for the strategic position of the Island in this part of the world may well, in the not distant future, give to Cyprus an importance which would considerably enhance its potentialities as a consumer of Empire products.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT  
EFFECTIVE FROM JANUARY 1, 1933; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF OCTOBER AND TEN MONTHS ENDED  
OCTOBER 31, 1935 AND 1936)

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS DIVISION)

Commodities	Month of October				Ten months ended October				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
AGRICULTURAL AND VEGETABLE PRODUCTS										
Fruits—										
Apples, green or ripe.....	133	495	2,300	11,096	2,435	5,941	4,705	17,771	25c. per bu. 50 lbs.	15c. per bu. 50 lbs
Strawberries, fresh.....	350	32			250,663	23,184	690,268	57,662	1c. per lb.	1c. per lb.
Grain products—										
Barley, shorts and middlings.....	253,646	197,638	465,763	512,624	2,042,907	2,813,359	2,765,886	2,749,988	10% ad val.	10% ad val.
Cereal foods, prepared, all kinds.....	202,915	36,587	185,790	124,888	893,465	291,902	855,019	424,350	10% ad val.	10% ad val.
Screenings.....	240	1,932	11,147	78,589	68,637	681,473	35,806	236,713	\$3 per ton (2,000 lbs.).	\$3 per ton (2,000 lbs.).
Hay.....	141,868	23,599	320,313	36,638	1,705,781	217,309	6,314,200	995,154	6c. per lb.	4c. per lb.
Maple sugar.....										
Seeds—										
Clover seed, alfalfa.....			3,291	32,370	1,049	12,987	4,451	44,298	8c. per lb.	4c. per lb.
Clover seed, alsike.....			7,004	70,651	12	88	15,548	142,632	8c. per lb.	4c. per lb.
Grass seed.....	11,496	19,205	12,941	26,313	83,337	442,333	82,261	102,086	2c. per lb.	1c. per lb. (mainly timothy).
Vegetables—										
Certified seed potatoes (a).....			53,571	84,314					75c. per 100 lbs.	45c. per 100 lbs., Mar. 1 to Nov. 30, if certified seed;
										60c. per 100 lbs., Dec. 1 to last day of Feb., if certified seed;
	4,223	1,832			236,528	59,843	719,767	712,639		75c. per 100 lbs. on imports of certified seed in excess of 750,000 bu. during each twelve-month period, beginning Dec. 1, in any year.
Potatoes, n.o.p. (b).....			6,376	4,256					75c. per 100 lbs.	75c. per 100 lbs.
Turnips.....	314,376	73,039	522,940	131,846	1,299,624	301,233	1,972,648	534,863	25c. per 100 lbs.	12c. per 100 lbs.
Whiskey.....	267,705	1,462,275	577,758	2,319,821	1,536,032	8,634,908	3,434,911	15,921,150	\$5 per pt. gal.	\$2.50 per pt. gal. if aged in wooden containers for at least four years; \$5 per pt. gal. if otherwise.
ANIMALS AND ANIMAL PRODUCTS										
Animals, living—										
Dairy cattle—										
Weighting 175 to 700 lbs. (a).....	621	37,257	81	1,894	5,011	311,181	6,669	396,533	24c. per lb., 175 to 700 lbs.	21c. per lb., 175 to 700 lbs.
Weighting over 700 lbs. (a).....			412	21,865					3c. per lb. if over 700 lbs.	14c. per lb. if over 700 lbs.
										3c. per lb. if over 700 lbs. on imports in excess of 20,000 head during any calendar year.



## CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES, Etc.—Concluded

Commodities	Month of October				Ten months ended October				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
<b>Meats—</b>										
Poultry, dressed or undressed.....Lb.	11,709	\$ 2,279			97,533	\$ 18,904	172,988	\$ 43,581	10c. per lb.	6c. per lb., if chickens and guineas; 10c. per lb., if other poultry.
<b>Milk products—</b>										
Cheese.....Cwt.	481	7,853	11,095	160,096	3,302	58,680	108,635	1,484,356	7c. per lb., but not less than 25% ad val., if cheddar cheese in original loaves; 7c. per lb., but not less than 35% ad val., if other kinds of cheese.	7c. per lb., but not less than 25% ad val., if cheddar cheese in original loaves; 7c. per lb., but not less than 35% ad val., if other kinds of cheese.
Cream.....Gal.			7,280	10,410	7		19,310	26,879	55-6/10c. per gal.	35c. per gal.; 55-6/10c. per gal. on imports in excess of 1,500,000 gals. during any calendar year.
Whaleoil.....Gal.	12,845	2,078	35,735	8,758	398,186	98,313	545,403	127,512	5c. per gal.	21c. per gal.
<b>Wood, Wood Products and Paper</b>										
Wood and products—										
Shingle bolts of pine or cedar.....Cord	6	18	20	60	123	457	116	455	Free.	Free.
Stave and other bolts, n.o.p.....Cord	6,062	28,472	8,768	37,106	44,225	203,965	50,104	228,205	32 10% ad val.	10% ad val.
Firewood.....Cord	41,202	103,135	32,241	117,540	219,376	527,951	218,478	732,534	Free.	Free.
Laths.....M	10,627	110,208	8,869	88,125	91,537	928,474	92,869	612,797	Free.	Free.
Logs.....M ft.									50c. per M ft. b.m., if fir; 50c. per M ft. b.m., if spruce, pine, hemlock or larch; free, if other kinds.	50c. per M ft. b.m., if fir; 50c. per M ft. b.m., if spruce, pine, hemlock or larch; free, if other kinds.
Masts and spars.....									50c. per M ft. b.m., if fir; 50c. per M ft. b.m., if spruce, pine, hemlock or larch; free, if other kinds.	50c. per M ft. b.m., if fir; 50c. per M ft. b.m., if spruce, pine, hemlock or larch; free, if other kinds.
Pickets.....M	2,786	19,884	1,424	12,503	8,705	63,067	7,066	50,649	Free.	Free.
Piling.....In. ft.	39,623	2,471	60,198	3,239	289,484	19,877	453,935	30,281	\$1 per M ft. b.m., if fir; 50c. per M ft. b.m., if spruce, pine, hemlock or larch; free, if other kinds.	\$1 per M ft. b.m., if fir; 50c. per M ft. b.m., if spruce, pine, hemlock or larch; free, if other kinds.
<b>Planks and boards—</b>										
Flooring of hardwood.....M ft.	12	539	74	3,776	406	19,359	455	22,719	Free.	Free.
Planks and boards, softwood.....M ft.	34,142	776,826	39,285	1,025,645	285,103	6,465,823	413,255	9,406,795	\$1 per M ft. b.m., if fir; 50c. per M ft. b.m., if spruce, pine, hemlock or larch; free, if other kinds.	\$1 per M ft. b.m., if fir; 50c. per M ft. b.m., if spruce, pine, hemlock or larch; free, if other kinds.
<b>Planks and boards, hardwood.....M ft.</b>										
Planks and boards, hardwood.....M ft.	2,619	82,710	5,228	193,809	14,476	500,379	31,262	1,103,997	Free, but subject to \$3 per M ft. b.m. Revenue Tax.	Free, but subject to \$3 per M ft. b.m. Revenue Tax.
<b>Poles—</b>										
Telegraph and telephone.....No.	20,454	54,152	30,370	87,433	181,464	492,889	209,909	587,878	Free.	Free.
Other poles.....No.		16,274		28,675		56,176		90,814	Free.	Free.
Posts, fence.....No.	23,898	2,273	27,263	2,038	316,589	27,262	415,868	37,839	Free.	Free.
Pulpwood.....Cord	121,111	883,410	131,394	1,007,903	554,501	6,115,766	922,903	6,841,839	Free.	Free.
Railroad ties.....No.	23,268	20,505	31,583	23,873	148,760	5,939,014	1,583,399	4,775,963	Free.	Free.
Shingles.....Square	333,570	943,320	251,793	616,342	2,213,953	31,991	12,212	12,212	Free, if staves; 33 1/3% ad val. if headings.	Free, if staves; 33 1/3% ad val. if headings.
Staves and headings.....		236		18					33 1/3% ad val. if headings.	33 1/3% ad val. if headings.

Timber, square, softwood.....	M ft.	176	4,044	93	2,337	1,933	38,003	4,527	69,926 \$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; 519 free, if other kinds. Free.
Timber, square, hardwood.....	M ft.				354		244		
Wood, pulp.....	Cwt.		2,010 635	9	2,266,483	8,444,515	18,097,270	10,635,566	21,820,419 Free.
Paper—Newsprint.....	Cwt.		6,395,770	4,388,108	7,707,622	32,759,389	56,749,002	38,514,220	66,990,620 Free.
IRON AND ITS PRODUCTS									
Farm implements—									
Cultivators.....	No.	101	9,825	2	30	1,386	121,547	1,396	103,828 Free.
Drills.....	No.	33	4,394	18	2,079	401	50,863	468	50,238 Free.
Harrows and parts.....	No.		2,605		2,555		17,551		50,228 Free.
Harvesters and binders.....	No.	3	398	5	696	787	145,892	728	141,257 Free.
Hay rakes.....	No.						17,952	159	5,264 Free.
Mowers and reapers.....	No.			1	25	1,551	98,455	515	29,908 Free.
Ploughs and parts.....	No.		43,376		51,391		328,812		406,110 Free.
Reaper threshers.....	No.	1	1,283	1	444	72	54,568	165	181,573 Free.
Parts of farm implements, n.o.p.....	No.		45,891		12,432		321,528		407,694 Free.
Ferro-silicon.....	Ton	120	4,467	63	1,293	5,244	112,180	3,372	69,676 2c. per lb. on silicon content. 1½c. per lb. (on silicon content) when containing 8% or more but not less than 30% of silicon.
Ferro-manganese and other ferro-alloys									
n.o.p.....	Ton		47,431	5,299	140,543	22,515	581,598	37,829	955,928 1½c. per lb. on manganese content. 1c. per lb. (on manganese content) when containing not less than 4% of carbon. 15% ad val.
Skates.....	Pair	23,233	12,975	8,557	7,947	106,867	72,409	186,895	117,921 20% ad val.
NON-FERROUS METALS AND PRODUCTS									
Cobalt in ore.....	Cwt.			122	6,848	260	9,202	1,155	66,518 Free.
Nickel in matte or speiss.....	Cwt.	9,769	175,856	12,868	231,626	73,807	1,328,415	105,334	1,895,877 Free.
Nickel in oxide.....	Cwt.	422	10,020	1,004	19,207	5,967	120,651	15,702	315,612 Free.
NON-METALLIC MINERALS AND PRODUCTS									
Abrasive, artificial, crude.....	Cwt.	109,841	287,461	163,240	469,638	1,064,954	2,607,677	1,233,012	3,253,177 Free.
Asbestos.....	Ton	7,310	366,939	8,627	445,425	47,050	2,371,221	62,232	3,257,684 Free.
Asbestos sand and waste.....	Ton	12,584	192,726	19,998	324,230	73,644	1,140,544	116,931	1,878,574 Free.
Feldspar.....	Ton		3,015	1,021	12,498	7,434	43,342	10,121	68,565 50c. per ton, if crude. 35c. per ton, if crude.
Gypsum, crude.....	Ton	35,789	42,044	72,610	85,310	275,283	325,868	381,584	444,877 Free.
Lime.....	Ton	282	236	26,371	11,902	80,955	39,825	198,067	84,054 Various.
Talc.....	Cwt.	14,965	7,396	15,971	8,004	127,416	64,964	146,940	73,232 35% ad val. 25% ad val.
CHEMICALS AND ALLIED PRODUCTS									
Acetic acid.....	Cwt.	33,049	196,506	30,021	160,567	292,483	1,727,997	248,568	1,335,767 2c. per lb., if over 65%. 1½c. per lb., if over 65%.
Cyanamid.....	Cwt.	124,308	125,219	180,755	186,530	1,794,608	1,895,857	1,976,243	2,030,993 Free.
Sulphuric acid.....	Cwt.	2,038	1,836	2,045	1,578	15,997	10,783	16,337	11,340 Free.
MISCELLANEOUS COMMODITIES									
Organs.....	No.			1	7,620	8	29,930	5	15,293 35% ad val. 25% ad val.
Total exports of above commodities.....			15,827,671		20,029,164		136,700,753		173,775,953
Total domestic exports to United States.....			32,213,033		44,582,810		228,574,890		320,455,806

(a) Reduced rates not applicable to imports of Douglas fir or Western hemlock in any calendar year in excess of an aggregate quantity of 250,000,000 feet, board measure.

## LIVE-STOCK CONDITIONS IN INDIA

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, October 13, 1936.—The annual cash value of the animal products of India is estimated to exceed Rs.20,000,000,000 (one rupee equals 1s. 6d.), which is probably larger than the value of her cash crops—that is, jute, cotton, ground-nuts, etc. This is not surprising when it is realized that India has an animal population of over 300,000,000, or more than double that of the United States.

This situation would seem to show that the development of animal husbandry in India might possibly be a means of solving, to a large extent, some of the economic difficulties with which the country is faced. "The cow and the bullock have on their patient back the whole structure of Indian agriculture." Fortunately, this side of agricultural development has been much to the fore of late: the new Viceroy (Lord Linlithgow) has taken a deep personal interest in the agricultural welfare of the country and has publicly stated that until agricultural conditions generally, and that of the live stock in particular, can be improved there is little likelihood of general prosperity, especially among the peasant classes.

### ENCOURAGEMENT TO BREEDING OF HIGH-CLASS CATTLE

The problem of conserving and increasing the live-stock wealth (not numerically but qualitatively) is intimately bound up with the improvement of the breed of Indian cattle. The Imperial Council of Agricultural Research, by instituting an official register of pedigree stock and maintaining official herd-books, has perhaps taken one of the most effective means to encourage the breeding of high-class cattle in India, with a consequent improvement and increase in the milk supply. By this means it is hoped to stimulate breeding on scientific principles, and to preserve and develop the country's best milch breeds, which it is stated have in recent years been found to have inherent milk capabilities of a high order which compare favourably with those of some of the recognized breeds of milk cattle in other parts of the world.

### PROPOSED REVIVAL OF EXPORT

In former years pure Indian cattle have been exported from time to time in fair numbers for breeding purposes in tropical countries, and it is stated that inquiries for similar cattle are still received. It is therefore felt that there might be possibilities in again reviving what was once a highly remunerative trade if pedigree stock were available. However, the real importance of improving the country's indigenous stock lies in their great economic value to the agriculturist for milk production and work, and in the untold social importance of an increased supply of pure and wholesome milk for nutrition, particularly of the children of the country.

Attention is directed to a report from this office entitled "Cattle Breeding in India," which appeared in *Commercial Intelligence Journal* No. 1563 (January 13, 1934), dealing with the same subject and which gives some additional information.

### THE QUESTION OF EXPORTING FROM CANADA

So far as Canadian shippers are concerned, they might be interested in the supply of pedigree or pure-bred stock for breeding purposes and improvement of existing herds. There are, however, difficulties in the way of establishing this trade, among which are the unsuitability of many Canadian-bred animals to withstand tropical conditions, although in many parts of India climatic con-

ditions are similar to those in the Dominion. The greatest handicaps are those of cost, expense of transportation, length of time required on the voyage, and the risk in delivery.

On a number of occasions this office has endeavoured to interest agricultural bodies and individuals in importing from Canada, and while the possibilities of the introduction of such animals have been well received, the unfavourable factors above referred to have prevented the placing of orders. Moreover, the comparative proximity of Australia and better facilities for shipping tell against Canada as a possible source of supply.

## ECONOMIC CONDITIONS IN BRITISH MALAYA

B. C. BUTLER, ACTING TRADE COMMISSIONER

(Straits dollar values have been converted to Canadian currency at the rate \$S1 equals 58 cents Canadian. One pikul equals 133½ pounds; one ton equals 2,240 pounds)

Singapore, October 9, 1936.—As the year progresses business conditions in Malaya continue to improve, largely as a result of the increase in the price of rubber, which alone constitutes about 45 per cent of the total value of the country's exports. The condition of that industry is immediately reflected in the psychology of the business community and in the trade returns. Tin constitutes about one-quarter of the value of Malaya's exports and therefore also exerts a strong influence on general business. While the price of this commodity has tended downwards throughout the year, the international restriction has permitted production up to 90 per cent of capacity, and the Malaya mining industry is well satisfied.

The annual reports of tin, rubber, and mercantile companies are generally favourable. Payment of reasonable dividends has been resumed, equipment is being renewed, and as a result there has been considerable activity in the share market. Something resembling a boom in building construction has had a marked effect on wholesale and retail trade. Increased estimates of expenditure by the local governments and the report of a substantial increase in the estimates of expenditure on the new Naval Base are further encouraging signs for an increase in imports of building materials.

### IMPORTS AND EXPORTS

It is probable that Malaya's total trade will again exceed \$600,000,000, as it did in 1935. Half that total was exceeded in the first six months of the present year. Imports for the first seven months are just slightly above the figures for the same period of 1935, totalling \$171,000,000 against \$169,000,000. Exports for the same period totalled \$210,500,000 against \$201,780,000 in the first seven months of 1935. The improvement indicates that business is progressing along sound lines. There are some outstanding increases in the imports of machinery and durable goods.

### TRADE WITH CANADA

Canadian exports to Malaya, according to Dominion Bureau of Statistics returns, totalled, in the first six months of 1936, \$703,326 as compared with \$1,053,515 in the corresponding period of 1935. The decrease as compared with last year is due entirely to reduced exports of Canadian motor cars. It is expected, however, that the steady improvement in business here will result in increased sales of motor vehicles and that the total of Canadian exports for the year will correspond closely to the figure for 1935.

There is an excellent opportunity at the present time for Canadian apples. The demand is good and buyers are prepared to pay a premium of 10 cents to 15

cents per case over United States supplies. Agents for Canadian apple exporters appear to have no difficulty in booking orders, but they are handicapped by the absence of a satisfactory shipping service.

## NOTES ON EXPORT PRODUCTS

### RUBBER

The restriction on the output of rubber, which has been in force since June, 1934, is working smoothly and competently on the whole. Estates have been maintained in production and thousands of workers have been kept in employment. The native production in Netherlands India is being better controlled than at first anticipated, and the only important problem to the Malayan industry is the development of smuggling as prices improve.

The price of rubber on the Singapore market for the month of July averaged 15.6 cents per pound as compared with the yearly average of 11.6 cents in 1935. Gross exports, including transshipment, for the first seven months of the year totalled 300,071 tons against 358,000 tons in the same period of 1935, but the value in the 1936 period was slightly higher, \$96,618,100 against \$95,747,300. The quantity is reduced by 17 per cent but the value has increased by 1 per cent.

Japanese merchants, banks, and shipping continue to dominate rubber exports to the United States. During the third quarter a cargo of rubber was shipped to New York in a chartered European ship at non-conference rates, causing the shipping conference to reduce the rate from \$12.75 to \$8 per ton from the middle of June until the end of August, i.e. while the chartered ship was en route. The shipping difficulties have resulted in agitation in some quarters for a quota system on rubber cargo and perhaps other local products.

### TIN

The average price of tin on the Singapore market during July was \$52.71 per pikul as compared with the yearly average in 1935 of \$64.30. Malaya's exports for the first seven months of the year totalled 46,958 tons valued at \$46,000,000 against 33,867 tons valued at \$38,000,000 in the same period of 1935. Domestic production in the same period totalled 39,044 tons against 20,708 tons up to the end of July, 1935.

While the Malayan mining industry is well satisfied with the increased production permitted by the International Restriction Committee, even at somewhat reduced prices, there has been considerable nervousness during the second and third quarters of the year due to the fact that the present restriction scheme terminates in December and the basis for renewal has not yet been decided. The disturbing factor is Siam, with whom delegates of the International Tin Committee are experiencing difficulty in arriving at a quota that will gain Siam's support for a new international agreement and at the same time be fair to the present signatory producing countries.

### OTHER PRODUCTS

The average weighted index of the prices of export commodities on the Singapore market has improved during the year, standing at 70.6 in July as compared with 67.1 in January and an average of 64 for the year 1935 (base year 1929).

With the cessation of the Italo-Abyssinian difficulties, the price of rice fell to \$35.38 per ton as compared to \$38.86 in May.

The price of canned pineapple on the Singapore market continues to be low, standing at \$1.97 per case in July as compared with the yearly average of \$2 in 1935. An effort is being made to increase sales in the United Kingdom by means of a general advertising campaign. The program of improvement in the

production and canning of the fruit continues to make headway. Shipments of canned pineapple in 1934 were approximately 2,000,000 cases, and in 1935 2,300,000 cases. By the end of the second week in September this year exports totalled 1,960,000 cases, a weekly average of almost 53,000 cases against the weekly average in 1935 of about 47,000 cases. The value of exports at the end of July was \$3,570,000 as compared with about \$3,000,000 in the same period of 1935.

Labour troubles broke out in the industry during the first part of September and for about ten days operations were almost completely at a standstill. Exports during the week of the strikes fell to less than 20,000 cases. The labour troubles are at least temporarily taken care of, but there is still a fear that they will break out again during the next packing season, i.e. October/December.

During the present year there has been an increase to 59,000 acres in the area under pineapple cultivation in Malaya. The most important centres of production for canning are Southern Johore with over 39,000 acres, Selangor (Federated Malay States) with 7,300 acres, and Singapore island with 7,000 acres. The Agricultural Department are continuing experiments with methods of cultivation and toward the improvement of the stock. It is expected that a new type of pine well adapted to the canning industry will be ready for general distribution in about five years' time. A pineapple canning expert has been attached to the Agricultural Department for about ten months.

The price of coconut oil during July was \$6.10 per pikul against the 1935 average of \$5.05. Palm oil averaged \$71.13 per ton in July as compared with the average of \$77.55 in 1935. The price of sundried copra has weakened during the year, standing at \$3.05 per pikul in July as compared with \$3.54 in January, although the yearly average in 1935 was \$2.62. However, the drought in America is creating a strong demand for vegetable oils and prices and shipments should improve during the last half of the year.

There appears to be no end to the decline in the price of pepper since the crash of the pool in February, 1935. The average for black pepper in July was \$4.42 per pikul as compared with the yearly average of \$7.34 in 1935. The price of white pepper in July was \$8.33 per pikul against the yearly average in 1935 of \$15.54.

Rattans (sampit) were quoted at \$4.50 per pikul in July, sago flour at \$1.40 per pikul, and tapioca flake at \$3.19 per pikul.

#### GOVERNMENT FINANCES

Government finances reveal the prosperity of the country. The Straits Settlements have a surplus of about \$42,000,000 and the Federated Malay States a surplus of over \$40,000,000. Current revenues in both cases are well above the estimates. The Straits Settlements Government is about to float a loan of \$18,000,000 to redeem an issue of 3½ per cent inscribed stock. A Federated Malay States Government loan of \$7,700,000 3 per cent bonds was over-subscribed in a few hours by over \$20,000,000. The finances of the other states are thoroughly satisfactory and the principal municipalities have surpluses. Singapore municipality's actual surplus for the year 1935 has just been published and stands at \$1,800,000. The total assessment value of the city of Singapore at the end of 1935 was \$10,200,000. There is a considerable shortage of houses for Europeans due to the large influx of defence forces and improved business conditions. House rentals show a general increase.

#### GENERAL NOTES

The Malayan Agri-horticultural Association held its annual exhibition at Kuala Lumpur during the first three days of August and the attendance totalled 47,000, an increase of 12,000 over the previous year.

The British Malaya Broadcasting Corporation is expected to commence broadcasting early in December this year and the sale of cheaper, medium-wave sets should be stimulated.

Mention has already been made of the strikes which broke out in the latter part of September. These first affected the pineapple industry and for a time the workers of thirteen factories were on strike, demanding an increase in pay of 33½ per cent. Fortunately the strike occurred during the off season and the canneries were not seriously affected, but if the labour troubles should recur during the next packing season the industry will be seriously handicapped. The disaffection spread to the construction industries and a total of about 3,500 coolies were on strike in Singapore and Southern Johore.

The expansion of Japanese trade and the intensifying of Japanese shipping activities in Malaya is being given serious study by Government and the business community, and it is possible that some action will be taken.

Sanctions against Italy were removed during the third quarter and importers of Italian products, especially piece-goods, are making a strong bid to regain their lost trade.

The 5 per cent surcharge on freight from Europe to Port Swettenham, the port of the Federated Malay States, has been removed. This will have the effect of encouraging direct imports from Europe into the Federated Malay States and it will take a small amount of business from the Straits Settlements ports, Singapore and Penang.

The recently published cost of living index figures for 1935 reveal that the index has increased with the rise in export commodity prices. Taking 1914 as 100, the cost of living index for Asiatics in 1935 was 108·1, for Eurasians 109, and for Europeans 125.

There was a change in the customs tariff of the Federated Malay States at the end of August. In general the duties have been removed on foodstuffs of British origin and the duties on those of non-British origin have been reduced, leaving the amount of British preference unchanged.

## COMPANIES AND BANKRUPTCIES IN THE STRAITS SETTLEMENTS, 1935

B. C. BUTLER, ACTING TRADE COMMISSIONER

Singapore, October 7, 1936.—The annual reports of the Registrar of Companies and the Bankruptcy Department of the Straits Settlements have recently been published. Although they deal with only the Straits Settlements, Singapore, Penang, and Malacca, they provide a basis for an understanding of the situation throughout the country. Actually, except for mining and estate companies, there are few registrations in the Federated Malay States and Unfederated Malay States. Singapore and Penang are the principal commercial centres of British Malaya and most of the import and trading concerns are registered in these cities.

At the end of 1935 there were 548 local companies and 579 non-local companies registered in the Straits Settlements and actively engaging in business. A further 77 local companies were in process of liquidation; there were only 43 trade bankruptcies in the Straits Settlements during the year.

The nominal capitalization of the 548 local companies at the end of 1935 was approximately \$250,000,000 Canadian, of which \$120,000,000 was subscribed and \$113,000,000 paid up. The business carried on by the local companies is classified as follows, the number of companies in each class being shown within parentheses: planting (83), merchants (75), mining (60), ice manufacturers (7), rubber manufacturers and dealers (21), manufacturers not belonging to two foregoing groups (31), printing and newspapers (26), engineering and garages

(25), stores and shops (24), steamships (12), chemists and druggists (12), bank and insurance (10), miscellaneous (162).

The 579 non-local companies operating in the Straits Settlements, and in most cases in the whole of British Malaya, are incorporated in a number of countries. British companies numbered 461 and foreign companies 118. The United Kingdom (310), Hongkong (52), Federated Malay States (42), Australia (26), India (11), Canada (8), and New Zealand (7) were the British countries chiefly represented; and the United States (32), Japan (20), Java (14), Holland (10), and Siam (7), the principal foreign countries.

Of the eight Canadian companies registered here, four are life insurance companies, two are fire and accident insurance companies, and two are patent medicine companies. In addition to the above Canadian firms registered in the Straits Settlements, there are two other large Canadian life insurance companies operating here and the branch organization of a Canadian motor car company. The Canadian National Railways maintain an office in Singapore.

## FOREIGN TRADE OF BRITISH NORTH BORNEO IN 1935

B. C. BUTLER, ACTING TRADE COMMISSIONER

(All values in Straits currency: S\$1 equals 58 cents Canadian at present exchange)

Singapore, September 30, 1936.—The territory of British North Borneo comprises the extreme northern end of the island of Borneo. It was purchased in 1881, and has been administered since that date by the British North Borneo Company, although the state is under British protection. The population totals 275,000, of which over 50,000 are Chinese and most of the remainder natives. The European population is small.

### ADMINISTRATION BY CHARTERED COMPANY

This is the last British territory under the government of a chartered company. The country is still undeveloped and backward, due partly to lack of funds but perhaps principally to its remote location. The chief port is 1,000 miles distant from Singapore, the centre for the sale of the country's products and the purchase of its import requirements. Moreover, since the introduction of the present international restriction of rubber output, normal recovery in British North Borneo has been retarded by the fact that the basic quota allotted is considered to be much too small. This appears to be conceded by the other signatories to the agreement, but it is unlikely that any change will be made until the present scheme terminates in 1938.

The British North Borneo (Chartered) Company appears to be well managed and the state is efficiently administered. The balance sheet of the company in 1935 shows that the total indebtedness in the form of debentures has been reduced from £1,775,000 in 1924 to £1,200,000.

### IMPORTS AND EXPORTS

The total trade in merchandise only during 1935 fell by 10·9 per cent as compared with 1934, although that year showed an increase over 1933 of 51 per cent. The value of the total trade in 1935 was \$12,567,000 (Can.\$7,289,000) as compared with \$14,015,000 (Can.\$8,180,000) in 1934 and \$9,399,000 (Can.\$5,441,000) in 1933. The favourable trade balance fell by 41·6 per cent. Imports increased by 7·4 per cent to \$4,749,000 (Can.\$2,755,000) as compared with \$4,421,000 (Can.\$2,564,000) in 1934 and \$3,378,000 (Can.\$1,959,000) in 1933. Exports declined by more than 19 per cent, totalling in value \$7,818,000 (Can.\$4,535,000) against \$9,684,000 (Can.\$5,618,000) in 1934.

The following table lists the ten principal import items, most of which are of little interest to Canadian exporters:—

	1935 S\$	1934 S\$	1933 S\$
Rice . . . . .	1,114,300	828,336	744,013
Textiles and apparel . . . . .	583,616	645,497	507,299
Provisions, fruits, vegetables, etc. . . . .	552,676	520,162	358,049
Tobacco . . . . .	378,661	269,559	196,528
Opium <sup>1</sup> . . . . .	109,184	257,928	.....
Ironware . . . . .	243,807	232,293	165,809
Sugar . . . . .	151,511	152,714	132,823
Kerosene . . . . .	157,266	139,473	135,056
Medicines . . . . .	120,422	114,032	87,485
Spirits and wines . . . . .	116,345	102,001	93,679

<sup>1</sup> The opium factory in British North Borneo was closed during the year 1934, and all imports are now coming from the factories in Singapore.

### NOTES ON PRINCIPAL EXPORTS

The main products and exports are rubber, timber, copra, dried salt fish, and a variety of native commodities such as cutch, damar, tobacco, and birds' nests. The decrease of \$1,866,000 in the total value of exports as compared with 1934 is largely accounted for by the decline of over \$1,000,000 in the value of rubber exports. This is now the most important export commodity of British North Borneo and, as mentioned previously, the international restriction has reduced the state's rubber exports to a greater extent proportionately than in the case of other producing countries.

Rubber exports in 1935 declined in quantity by slightly over 20 per cent and in value to \$3,783,500 as compared with \$4,866,500 in 1934 and \$1,534,300 in 1933.

Timber exports declined in quantity by 2 per cent and in value by almost \$40,000 as compared with the previous year. The value of exports in 1935 was \$2,218,000 as compared with \$2,257,000 in 1934 and \$2,271,000 in 1933. Japan is still the largest buyer, followed by Hongkong. Shipments to China have been reduced due to the currency difficulties in that country and shipments to Europe and the United Kingdom have declined.

The price of copra improved slightly during the year and both quantities and values of exports increased. The total value of copra exports in 1935 was \$399,500 as compared with \$227,500 in 1934 and \$347,600 in 1933.

The value of dried salt fish exports in 1935 was \$341,500 as compared with \$216,700 in 1934. The quantity of export increased by 28 per cent.

### MARKET FOR POWDERED MILK PRODUCTS IN HONGKONG AND SOUTH CHINA

K. F. NOBLE, ACTING TRADE COMMISSIONER

Hongkong, October 1, 1936.—A substantial and well-maintained market for powdered milk products exists side by side with that for tinned milk products, with its foundation based also on the absence of the dairy industry in the Hongkong and South China territory.

The Hongkong trade returns for the item powdered milk products present only an aggregate total for milk powders, including the following: babies' specialty milk foods; whole cream milk powders; skim-milk powders; malted milks; and pharmaceutical milks. The annual turnover for the aggregate item is in the neighbourhood of Can.\$200,000, being HK\$642,387 (Can.\$192,000) for 1933, HK\$537,380 (Can.\$212,000) for 1934, and HK\$428,105 (Can.\$214,000) for 1935.

Imports of all types of milk powders by countries of origin during 1935, with comparable totals for 1934 given in parentheses, were: Australia, HK\$234,392

(HK\$355,443); United States, HK\$46,726 (HK\$75,353); United Kingdom, HK\$109,986 (HK\$85,239); Philippines, HK\$14,772 (nil); Japan, HK\$7,647 (nil); and Holland, HK\$7,647 (HK\$1,731).

#### BABIES' SPECIALTY MILK POWDERS

The estimated total consumption is placed at 250 cases per month, divided primarily between the products "Lactogen," "Glaxo," "Cow and Gate," and "Allenburys."

It is understood that both "Glaxo" and "Cow and Gate" have made substantial advances in turnover in the last year, but how far this has been at the expense of similar products, and how far it is attributable to the lower c.i.f. prices for the Hongkong and South China market, which make re-export to Singapore attractive, is uncertain. There is, however, a substantial trade by private carrier to the smaller ports and interior points of China, and south to Malaya, which are apart from the regular channels of distribution.

"Cow and Gate" in 2-pound and 1-pound sizes is quoted wholesale at HK\$44 and HK\$48.50 per case of twelve 2-pound and twenty-four 1-pound containers respectively. "Lactogen" is quoted in 3-, 2-, and 1-pound containers at HK\$57, HK\$41, and HK\$42 per case of eight, twelve, and twenty-four tins respectively; "Glaxo" is offered alternatively in cases of twelve 2-pound and twenty-four 1-pound tins at HK\$40, based on delivery ex stock and including local charges.

#### WHOLE CREAM MILK POWDERS

Monthly sales are varyingly estimated at from 350 to 425 cases. Although products of independent suppliers in Holland, the United States, and Australia appear sporadically, the market is dominated by "Klim," which is packed in 5-, 2½-, and 1-pound hermetically sealed tins at HK\$96, HK\$41.60, and HK\$21 per dozen respectively c.i.f. c. & i. The Nestle Milk Corporation have recently entered the trade and are quoting substantially similar prices. Casual suppliers normally quote about 10 per cent less, since the buyer's preference gives this advantage to the dominant brand. It is only on rare occasions, however, that oversea suppliers can quote such a c.i.f. price.

#### SKIM-MILK POWDERS

The sale of this product is on a seasonal basis since it is primarily used in the manufacture of ice cream, which absorbs about 50 per cent of the total, the balance being used in the production of milk bread.

Importation, which is in bulk packings of alternatively 28-, 50-, 56-, and 200-pound containers, is approximately estimated at a yearly total of 30,000 pounds. The United States, Switzerland, and Australia are the principal suppliers; Canada at one time had a small interest in the trade.

One United States supplier is quoting skim-milk powder at 11½ cents per pound c.i.f. c. & i., packed in 200-pound barrels, and a second supplier at 11 cents to the dealer, packed in 50-pound metal drums.

Australian supplies, packed two 28-pound tins to the case, are offered at sterling 3½d. per pound; while the other principal competitor, supplying alternatively milk powder from any of the above three countries, quotes an invoice price of 3½d. sterling.

#### MALTED MILKS

Monthly sales of malted milks are estimated in the neighbourhood of 1,500 pounds, which is principally under the influence of "Horlick's," the extensively advertised product. The international combine are also entering the field.

"Horlick's" wholesale quotations are HK\$1.70 to HK\$1.80 per pound ex stock packed alternatively in twelve 1-pound and twenty-four ½-pound jars.

## PHARMACEUTICAL MILKS

The trade is unquestionably small and is divided between the preparations of various well-known pharmaceutical supply houses.

A report appeared in *Commercial Intelligence Journal* No. 1711 (November 14) on the "Market for Canned Milk Products in Hongkong and South China" and should be read in conjunction with the above report.

## BELGIAN BUDGET FOR 1937

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

(One dollar equals 29.70 Belgian francs)

Brussels, October 28, 1936.—The preliminary Budget for 1937 which is to be submitted to the Belgian Parliament during the session which has just begun reflects the general improvement which has been taking place in conditions in Belgium since the devaluation of the Belgian franc about eighteen months ago.

The Budget is not only balanced but foreshadows further decreases in taxation, in particular a 25 per cent reduction in the special "crisis" tax introduced in January, 1933, which will mean some 150 million francs less for the taxpayers. This decrease is about the same as that provided for in regard to expenditure due to unemployment. Expenditure under the "dole" system has been brought down to 500 million francs for 1937 as compared with 650 millions in 1936, 806 millions in 1935, and 964 millions in 1934.

For 1935 and 1936 the total reduction effected in taxation has approximated 370 million francs, so that in three years the burden of taxation in Belgium will have been lightened to the extent of 520 million francs, with further decreases in sight as a result of the recent devaluation of the French, Swiss, and Netherlands currencies, not taken into account in the Budget for 1937, which will effect a saving of about 100 million francs in the service of the foreign debt.

Another feature of the Budget is that every effort has been made to cut down the cost of government in general, despite the improvement foreseen in the economic prosperity of the country.

The ordinary Budget establishes expenditure at 10,566 million francs as against an estimated revenue of 10,737 million francs, resulting in a surplus of 171 million francs. The following table establishes a comparison between the Budget for 1937 and those of 1936 and 1935:—

	Receipts	Expenditure	Balance
	Figures in 1,000 Francs		
1935 Budget.. . . . .	9,842,000	9,902,000	— 60,000
1935 Actual <sup>1</sup> .. . . . .	10,024,023	10,098,195	— 74,172
1936 Budget.. . . . .	10,429,390	10,464,620	— 35,230
1936 Estimated <sup>2</sup> .. . . . .	10,542,639	10,883,690	— 341,051
1937 Budget.. . . . .	10,737,000	10,566,000	+ 171,000

<sup>1</sup>As closed on September 30, 1936. <sup>2</sup>Based on returns to September 30, 1936.

During the 1935 budget year the deficit increased considerably, but was eventually reduced by using the proceeds (322 million francs) obtained from the re-evaluation of the gold held by the Treasury as a consequence of the devaluation of the Belgian franc, by the conversion of Belgian Government bonds and foreign loans at lower rates, and by a decrease in expenditure for unemployment.

The increase in the deficit foreseen in the Budget estimates for 1936 is the result of Treasury operations, including the partial repayment of certain foreign loans. On the other hand, receipts are expected to exceed the Budget estimates by over 110 million francs.

## REVENUE

The main sources of revenue in the ordinary budgets for 1936 and 1937 are as follows:—

	1936	1937
	1,000 Francs	1,000 Francs
Direct taxes. . . . .	2,987,500	3,116,500
Customs and excise. . . . .	2,807,043	2,814,757
Sales, luxury taxes, etc. . . . .	3,095,000	3,246,000
Total taxes. . . . .	8,889,543	9,177,257
Miscellaneous receipts. . . . .	1,653,096	1,559,167
Total. . . . .	10,542,639	10,736,424

The above-mentioned headings for the 1937 Budget comprise, *in thousands of francs*:—

*Direct Taxes*.—Land taxes, 360,000; taxes on property or estate, 700,000; income taxes, 800,000; special crisis tax, 650,000; automobile taxes, 165,000; amusement taxes, 45,000.

*Customs and Excise*.—Customs duties, 1,531,000; excise and consumption taxes, 1,273,100.

*Sales and Luxury Taxes, etc.*—Sales tax, luxury tax, and stamp dues, 2,515,000; succession dues, 206,000; registration fees, 485,000.

*Miscellaneous*.—Tolls, 447,248; capital and income, 330,671; repayments, 443,558.

The total increase in revenue under the 1937 Budget compared with that of 1936 is 194 million francs.

Direct taxes are expected to show an improvement of 129 million francs, and a slight increase is looked for in customs receipts, while an increase of 150 million francs is anticipated in sales, luxury, and stamp taxes.

## EXPENDITURE

The 1937 Budget forecasts an increase of expenditure of 101 million francs over that of 1936.

The main headings of expenditure in the ordinary budgets of 1936 and 1937 are set out in the following table:—

	1936	1937
	Figures in 1,000 Francs	
Public debt. . . . .	2,375,435	2,443,218
Pensions. . . . .	2,169,825	2,344,814
Education. . . . .	1,120,697	1,052,713
Defence. . . . .	893,045	885,924
Labour and social welfare. . . . .	852,213	734,690
Posts, telegraphs, telephones. . . . .	345,025	351,062
Justice. . . . .	279,265	280,147
Public works and unemployment. . . . .	254,230	259,280
Police. . . . .	124,265	135,537
Transport. . . . .	157,415	167,436
Foreign affairs and trade. . . . .	91,200	91,428
Colonies. . . . .	170,000	90,716
Non-values and reimbursements. . . . .	1,033,640	1,107,400

The main increases in expenditure over the 1936 Budget, *in thousands of francs*, are: Pensions (+ 174,990); Public Debt (+ 67,783); and Non-values and Reimbursements (+ 73,760). The chief decreases are: Labour and Social Welfare (— 117,523); Colonies (— 79,283); and Education (— 67,984).

The service and amortization of the public debt, together with pensions, represent over 45 per cent of the total expenditure.

## PUBLIC DEBT

The service of the public debt absorbs about one-quarter of the ordinary revenue. Both service and amortization bear upon a capital which, on August 31, 1936, totalled 55,799 million francs (about \$1,850,000,000). As the population of Belgium is approximately 8,300,000, the debt per head is \$222. The

public debt is almost entirely consolidated and consists of a domestic debt of 33,441 million francs and a foreign debt of 22,358 million francs. These show respective increases as compared with the situation on September 30, 1935, of 418 and 201 million francs.

The foreign debt on August 31, 1936, was distributed as follows, in foreign currencies: United States, \$445,204,300; Great Britain, £22,173,700; France, frs. 1,779,365,000; Switzerland, frs. 28,808,000; Holland, fl. 96,379,000; Sweden, kr. 22,779,000.

Obligations contracted during the war toward the United States amount to 4,793 million francs, and, after the war, to 7,078 million francs. Together with other loans, the total debt to the United States is 13,885 million francs or 62 per cent of the entire foreign debt.

The foreign debt will be decreased as a result of the recent devaluation in France, Holland, and Switzerland by at least 1,500 million francs.

#### EXTRAORDINARY BUDGET

In its present form the 1937 Budget gives no data in respect to extraordinary revenue and expenditure, but indications are that the figures will be about 10 per cent above those voted for 1936, which involved an amount of 2,303 million francs, of which 1,121 millions were to be utilized for the continuation of public works and 1,182 millions to be spent on a new "recovery" program to be spread over a period of three and a half years, funds for which are being made available through loans.

This special budget is financed by the proceeds derived from the re-evaluation of the gold holdings of the National Bank of Belgium. Under the decree of March 31, 1936, this re-evaluation was based on the belga equal to 0.150632 grams of fine gold transferred to the Treasury in gold metal, the operation creating a profit of 4,352 million francs. This sum was reduced by 345 million francs owing to the repayment of this amount to the National Bank in order to reduce the state's debt to this institution, and by 155 million francs representing the share of the Grand Duchy of Luxemburg in the increased assets of the bank.

Furthermore, a sum of 1,000 million francs was set aside to create a fund for controlling the bond market, and 1,125 million francs were utilized as a stabilization fund to support the currency, leaving 1,727 million francs for the execution of the extraordinary budget and the repayment of certain foreign debts.

Availing itself of the favourable market, the Government, under a decree issued toward the end of August, 1936, has taken steps to increase the 4 per cent consolidated internal loan by 1,000 million francs. This new loan is being sold gradually on the stock market in accordance with the demand, without the intermediary of the banks and without publicity. It is understood that the proceeds are to be utilized largely for the repurchase of certain foreign loans subject to high rates of interest, and such repurchases have doubtless already been effected through the amortization fund.

#### SILVER FOX FARMING IN NORWAY

J. A. MacDONALD, ASSISTANT TRADE COMMISSIONER

Oslo, November 2, 1936.—Silver fox farming in Norway has developed into a well-organized and highly important industry in recent years. It is usually carried on in conjunction with agriculture, and is now an important source of income to the country.

The industry got its start in January, 1914, when two silver foxes were imported from Canada. This original pair fetched a price of kr. 60,000 (about \$15,000). In the following years silver foxes were imported in considerable

numbers, and fox breeding was taken up in several districts. During the years 1925 to 1928 imports of live foxes from Canada were on a large scale, and the industry expanded rapidly.

In the initial stages Norwegian fox farmers directed their attention mainly to the production of breeding animals, for which a speculative demand had developed. A price of kr. 15,000 (\$3,750) per pair was not unusual during the first years, and small fortunes were realized by many breeders. But speculation and lack of organization threatened to destroy the industry before it had become firmly established.

#### SILVER FOX BREEDERS' ASSOCIATION

In 1926 the Norwegian Silver Fox Breeders' Association was formed at Aandalsnes, and the work of reorganizing the industry was begun. Timely steps were taken to protect pedigrees and to improve the stock, and a system of inspection was introduced. The breeding of foxes for their pelts was seriously undertaken and subsequently a fur auction was established at Oslo.

By 1929 the stock of silver foxes in Norway had grown to nearly 30,000, by 1934 to 214,000, and last year it was estimated that there were 300,000 silver foxes in the country. Fox farms are now located in every county in Norway. Altogether there are about 10,000 of them in operation.

#### RETURNS FROM THE INDUSTRY

The gross earnings from the silver fox farms in 1935 were estimated at about kr. 29,000,000 (\$7,250,000) on the basis of 191,000 cubs at an average value of kr. 150 (\$37.50). In 1934 gross earnings were about kr. 20,000,000 (\$5,000,000) on the basis of 136,000 cubs. If other fur animals are included, the total gross value of the industry in 1935 was about kr. 30,000,000 (\$7,500,000). About 180,000 animals valued at kr. 27,000,000 (\$5,400,000) were killed during the season of 1935.

Norwegian silver fox skins are now in good demand at the fur auctions of London and the Continent. In 1935 Norway exported 138,707 silver fox skins valued at kr. 21,030,581 (about \$5,257,000). The United Kingdom was the most important market, but large quantities were also taken by Germany and France.

#### BREEDS OTHER THAN SILVER FOX

Although silver foxes are by far the most important product of the fur farms, a good deal of attention has been given to the production of other breeds. There are 375 farms devoted to blue foxes, 422 farms to cross foxes, 416 to red foxes, and a number of farms to marten, mink, pole-cat and other fur-bearing animals. There were 8,311 red fox pelts, 6,666 blue fox pelts, and a few white fox and cross fox pelts exported last year.

### WORLD PRODUCTION OF QUICKSILVER

#### A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Milan, October 21, 1936.—The recent rise of price in quicksilver, owing to the Spanish revolution, has naturally caused manufacturers using quicksilver to examine the situation in regard to sources of supply. The most important deposits in Europe are those of Almaden in the province of Ciudad Real in Spain, which are still the richest in the world. In Russia there are deposits at Nikitowka, and there are some in Czechoslovakia.

The deposits in Italy are those of Mount Amiata in Tuscany (the mines of Abbadia S. Salvatore), Bagni S. Filippo, Solforate Rosselli, Siele in the province

of Siena and Morone, Cornacchino, Reto or Montebuono in the province of Grosseto. There are also those of Idria in Venezia Giulia, known since 1490.

Outside of Europe other large sources of supply are in various parts of the United States such as California, and small quantities of quicksilver are also found in Peru, China, Japan, Australia, and Algeria (Batna).

#### SPANISH PRODUCTION

The mineral of Almaden (Spain) is the richest. As an average, it contains 3 per cent of quicksilver. The mineral from the mines of Tuscany contains, as an average, 0.8 per cent at Abbadia, 1 per cent at Carpine and Morone—in general, from 0.2 to 1 per cent. The mineral from the mines of Idria contains, as an average, from 0.6 to 1 per cent of quicksilver; the mineral of California around 0.4 per cent; that of Russia also around 0.4 per cent.

It is called "poor mineral" when it contains up to 0.4 per cent of quicksilver and "rich mineral" when it contains from 0.4 to 2 per cent.

The present Spanish Government just recently denounced its agreement with Italy in regard to the world sales of quicksilver.

It is difficult to give exact figures of the production in Spain. For example, in 1924 the board of administration of the Almaden mines suppressed publication of all statistics for a time. The ore output, according to the latest figures available in this office, was in 1913, 19,900 metric tons; in 1928, 48,500 metric tons; in 1932, 10,900 metric tons; and in 1933, 10,100 metric tons. The production of quicksilver in Spain was in 1931, 682 metric tons; in 1932, 815 metric tons; and in 1933, 820 metric tons. The export figures for quicksilver for Spain are as follows: 1931, 4,687; 1932, 8,327; and in 1933, 14,455 metric quintals.

Besides the Almaden mines, traces of this mineral are found in many other Spanish provinces.

#### ITALIAN PRODUCTION

According to the latest figures available in this office, the ore production in Italy was in 1931, 196,289 tons; in 1932, 127,760 tons; and in 1933, 68,546 tons. The production of quicksilver in Italy was in 1931, 1,208 tons; in 1932, 1,016 tons; and in 1933, 607 tons. The annual Italian home consumption is only about 100 tons.

Comparison can be made between the Spanish and Italian production with that of the United States by quoting the figures of the production of quicksilver for the same years in the United States, which were in 1931, 860 tons; in 1932, 435 tons; and in 1933, 324 tons.

Mexico produced 251 tons in 1931, 253 tons in 1932, and 154 tons in 1933.

The total world production can thus be estimated to be approximately for 1931, 3,496 tons; for 1932, 2,704 tons; and for 1933 (very approximately), 2,100 tons.

#### PACKING AND MARKETING

Quicksilver is shipped in iron bottles, which are sent separately all over the world, not in cases. These bottles, when empty, weigh from 10 to 15 pounds each. They are of wrought iron and of the following dimensions: 12 inches high and 5 inches in diameter. The iron stoppers are screwed into the bottles. The contents are usually evacuated by boring a hole in the bottom. These bottles all contain from 75 to 76 pounds of quicksilver. Spain supplies about 35,000 bottles in an average year.

The United States, which at one time was the largest world supplier of quicksilver, has now declined to third place, the principal sources of supply being Spain and Italy. London is the world's quicksilver marketing centre.

### USES OF QUICKSILVER

The uses of quicksilver are numerous and well known. Its use in explosives has no doubt accounted for the recent rise in price; also in the gold mining industry of South Africa. For years the business of handling quicksilver has been in a very few hands. The recent Italian control of Italian supplies has made free trading difficult. The use of quicksilver in barometers and thermometers is too well known to discuss, but it might be pointed out that only a very small quantity is used for such instruments. The anti-corrosive and anti-fouling paint industries also use it, as well as the pharmaceutical trade.

### ASBESTOS FIBRE MARKET CONDITIONS IN PORTUGAL

J. C. DEPOCAS, ASSISTANT TRADE COMMISSIONER

Milan, October 12, 1936.—The Portuguese returns do not credit Canada as having supplied any asbestos fibre during 1934 (the latest year for which statistics are available). The quantities imported are rather small, totalling 345 metric tons, of which 120 were from Cyprus, 97·8 from Germany, 28·8 from Finland, 28·3 from Northern Rhodesia, 18 from South Africa, 17 from Egypt, 11 from the United Kingdom, 9·3 from Italy, 9·2 from the Portuguese colonies, and 5·5 from the United States.

These small imports, due to the development of the mines in the colonies, which are now making inroads in other markets in competition against the leading producing countries, are not expected to increase. During the first nine months of 1935, Portuguese colonies were the leading importers of asbestos fibre into Italy. There are no important asbestos-using industries in the country. The number of automobiles, including trucks, in use does not exceed 30,000. The major part of the imports are for use in the making of certain types of pipes and for insulation purposes. Re-exports through the port of Lisbon are apparently increasing; for the months of February and April of this year 10·3 and 21·5 metric tons respectively were re-exported.

Asbestos manufactures in small quantities, mainly brake and clutch lining, are exported from Canada to this market.

### EXTERNAL TRADE OF BULGARIA IN 1935

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(One leva is equal to approximately \$0·013)

Cairo, October 16, 1936.—Bulgaria's external trade, after five years of constant decline, showed in 1935 quite an important advance, as will be observed from the following table in which the movements of the exchanges of Bulgaria since 1929 are recapitulated:—

	Exports 1,000,000 Leva	Index <sup>1</sup>	Imports 1,000,000 Leva	Index <sup>1</sup>	Difference 1,000,000 Leva
1929.....	6,397	103	8,325	119	-1,928
1930.....	6,191	99	4,590	65	+1,601
1931.....	5,934	95	4,660	66	+1,275
1932.....	3,383	54	3,471	49	- 88
1933.....	2,846	46	2,202	31	+ 644
1934.....	2,535	41	2,247	32	+ 288
1935.....	3,253	52	3,009	43	+ 244

<sup>1</sup>Basis, average 1925-29=100.

It follows from the above that in 1935, compared with 1934, imports and exports respectively indicated an increase of 762,000,000 and 718,000,000 leva, while the favourable balance of trade decreased from 288,000,000 leva in 1934

to 244,000,000 leva in 1935. The progress in exports is to be attributed mainly to larger shipments of tobacco, and that in imports principally to increased purchases of steel rails, railway engines and coaches, motor vehicles, and machinery, which were exchanged for tobacco on a barter basis.

### IMPORTS AND EXPORTS: CHIEF SOURCES OF SUPPLY

In 1935 Germany was Bulgaria's chief source of supply as well as best customer, her share in the import trade of Bulgaria being represented by 53·5 per cent, while her purchases from the latter amounted to 48 per cent of total exports. The share of the other countries in imports and exports of Bulgaria, the percentages relating to exports being within parentheses, amounted to: Czechoslovakia, 9·8 per cent (6·9 per cent); Austria, 6·4 (4·6); Great Britain, 4·7 (4·4); Belgium, 1·2 (1); Denmark, nil (1·7); Egypt, 0·5 (3·4); Spain, 1·5 (1·4); United States, 1·3 (1); France, 1·4 (1·8); Greece, 0·5 (1); Holland, 1·3 (1·4); Hungary, 1·7 (2·4); Italy, 3·1 (8·7); Palestine, 0·1 (2·1); Poland, 1·2 (2·1); Roumania, 3·1 (0·3); Switzerland, 5·4 (2·9); Turkey, 0·6 (0·5); Yugoslavia, 0·3 (0·7).

### PRINCIPAL IMPORTS AND EXPORTS

Bulgaria's principal imports in 1935 comprised raw cotton, cotton yarn, cotton fabrics, raw wool, woollen yarns, iron, industrial machinery, petroleum products, aniline dyes, paper, salt, copper sulphate, automobiles, rubber tires and inner tubes, steel rails, and salted fish. The chief items of export included wheat, rye, leaf tobacco, eggs, maize, fresh grapes, raw hides and skins, poultry, live stock, dry haricots, vetches, and cheese.

Import restrictions have been rendered more severe in 1935, and exchanges on a barter basis have increased in number.

### EXTERNAL TRADE OF GREECE IN 1935

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(Drs. 110 are equal to one Canadian dollar at the present rate of exchange)

Cairo, October 14, 1936.—Greek official statistics place Greece's imports at drs. 10,681,388,000 (\$97,103,525) in 1935 compared with drs. 8,792,417,000 (\$79,931,065) in 1934, an advance of drs. 1,888,971,000 (\$17,172,460), and exports at drs. 7,101,289,000 (\$64,557,165) in 1935 against drs. 5,474,229,000 (\$49,765,720) in the preceding year, an increase of drs. 1,627,060,000 (\$14,791,445), the deficit of the trade balance being therefore represented by \$32,546,360 and \$30,165,345 in 1935 and 1934 respectively. As usual, the adverse balance of trade was largely offset in 1935 by such returns as remittances from Greeks living abroad, from shipping, and from transit traffic.

### IMPORTS AND EXPORTS

Appended is a table giving the figures of the principal commodities imported and exported by Greece in 1935 and 1934:—

Commodities	1935		1934	
	Imports	Exports	Imports	Exports
	Figures in Million Drachmae			
Livestock and fishery.. . . .	819.8	752.3	43.0	48.0
Agricultural products.. . . .	1,896.0	1,014.1	3.2	10.9
Vegetable products and colonial goods.. . . .	215.3	205.7	5,199.8	3,858.4
Oils and oil seeds.. . . .	133.6	134.8	713.5	474.1
Spirituuous drinks.. . . .	3.6	8.0	200.7	222.9
Sugar and confectionery products.. . . .	303.4	321.9	7.4	6.9
Leather and leather goods, skins.. . . .	243.5	288.7	146.7	141.1

Commodities	1935		1934	
	Imports	Exports	Imports	Exports
	Figures in Million Drachmae			
Forest products, and articles in wood.. . .	615.1	457.5	199.4	186.8
Minerals.. . . .	1,020.6	930.0	228.3	181.9
Metals and metal goods.. . . .	1,592.7	1,309.7	44.4	80.9
Pottery and glassware.. . . .	112.3	104.2	18.6	17.6
Chemical and pharmaceutical products.. . .	528.4	480.9	55.2	65.2
Perfumery and soap.. . . .	18.0	23.9	10.6	13.2
Colour and tanning matter.. . . .	143.4	144.7	53.5	20.4
Paper and paper goods.. . . .	271.2	264.9	10.6	14.1
Textiles.. . . .	1,968.1	1,836.3	123.9	93.0

The principal individual Greek imports are wheat, textiles, coal, hardware, agricultural, electric and industrial machinery, and motor vehicles. Imports of wheat amounted to 444,200 tons in 1935 against 261,000 tons in 1934 and 449,300 tons in 1933.

Greek exports of tobacco, spirituous drinks, and textiles showed an appreciable increase in the past year as compared with 1934.

Germany (drs. 2,109,368,000) headed the list of Greece's sources of supply in 1935, followed by the United States (drs. 1,202,475,000), Great Britain (drs. 897,099,000), Sweden (drs. 292,518,000), Holland (drs. 275,330,000), Roumania (drs. 230,764,000), Egypt (drs. 213,560,000), etc.

According to Greek figures, imports into Greece from Canada in 1935 amounted to drs. 5,619,000 (\$51,082) against drs. 10,068,000 (\$91,528) in 1934; and Greek exports to the Dominion totalled drs. 1,997,000 (\$18,155) in 1935 and drs. 3,201,000 (\$29,100) in 1934. In other words, imports from Canada decreased by \$40,446, and exports to the Dominion by \$10,945. Greek imports of wheat from Canada amounted to drs. 5,360,500 (\$48,732) in 1935 and to drs. 9,988,193 (\$90,802) in 1934. It follows that the decrease in Canadian exports to Greece may be accounted for almost entirely by the fall in purchases of wheat, and that the Dominion's exports of other commodities to that country have become negligible.

## FUR TRADE OF JAPAN

P. V. McLANE, ACTING TRADE COMMISSIONER

(For purposes of comparison the average rate of the yen in 1934 was 29.575 cents, and in 1935 29 cents Canadian funds)

Kobe, October 21, 1936.—In Japan furs are used for much the same purpose as in Canada: for coats, collars, neck pieces, and coat linings. The proportions used for each item differ, however. Japanese women still wear kimonos to a great extent, and fur coats do not lend themselves to this type of attire, with the result that they are worn only by women wearing foreign-style clothing. Neck pieces, however, are worn to a much greater extent. A considerable number of Japanese men still wear a type of kimono which lends itself very well to an attached fur collar. Fur-lined coats are little used except in the North where the temperatures are low in the winter. As the wealthy class is relatively small in Japan, few high-priced furs are saleable, the demand being primarily for relatively low-priced products.

## PRINCIPAL FURS PRODUCED AND PRICES

The most important of the commercial furs taken in Japan are rabbit, fox, mink, marten, racoon, and squirrel. Rabbits and hares are produced principally for export, although last year 1,300,000 pieces were bought by the Army and approximately 800,000 pieces were used domestically. As compared with the 1934-35 season an increase of 2,100,000 pieces was recorded, making a total of approximately 6,100,000 pieces for 1935-36. Chief raising centres are in Fukushima, Miyagi, and Nagano prefectures. Hares, white No. 1 quality, sell

from 20 sen to 65 sen per piece; rabbits, white special size (over 22 inches and over 10 inches wide), 1·10 yen per piece; large size (over 20 inches and over 10 inches wide), 90 sen; with correspondingly low prices for small skins.

#### FOXES

The fox-farming centres are Karafuto, the Kuril Islands, and Hokkaido. Canadian foxes have been used extensively for breeding purposes. The total number of foxes on farms at present is estimated at 13,000, from which about 1,000 furs were prepared for market last season. Red and plain foxes were secured in the wild state to the extent of about 4,000 in 1935-36. Prices vary with quality and producing centres. Red and plain foxes, which are more numerous, are more uniform in price, varying from 8 yen for furs from Kyushu and Shikoku, 10 yen from Tokaido and Kinki, 15 yen from Oshu, and 20 yen to 30 yen from Hokkaido. For silver, black, white, and blue fox only retail prices of made-up furs are available and they show considerable variation: silver fox from 350 yen to 1,500 yen, black fox from 100 yen to 250 yen, white fox from 200 yen to 300 yen, and blue fox from 80 yen to 280 yen. Fox furs are used mainly as neck pieces.

#### MINK AND MARTEN

The most important producing centres for mink are Fukushima, Miyagi, Akita, and Aomori prefectures. Last season some 600,000 were caught. Size is an important factor in price, those over 20 inches being quoted at 5·20 yen per piece, those over 19 inches at 4·70 yen, and those over 15 inches at 2·70 yen. Mink fur is used chiefly for lining overcoats. Martens are caught in Shikoku, Kyushu, Tokai, Chugoku, Kinki, Hokkoku, Hida, Oshu, and Echigo prefectures. Output amounted to 25,000 pieces. Prices vary 9 to 10 yen per piece for furs originating in Shikoku, 13 to 18 yen for those from Hokkoku and Hida, and 16 to 22 yen for those from Oshu. Hokkaido black martens are quoted from 20 to 40 yen.

#### RACCOON

The racoon comes in the main from the same districts as the marten and in much the same manner; prices vary from district to district as they move northward. Shikoku racoon averages from 13 to 19 yen, Kinki and Chugoku from 15 to 21 yen, Hokkoku from 18 to 22·50 yen, and Oshu and Echigo from 20 to 25 yen per piece. Some 20,000 were caught during 1935-36. Racoons are made into coats.

#### SQUIRREL

Squirrel furs of the best quality are found in Oshu and are quoted at 25 sen per piece. Inferior-quality squirrel can be secured for as low as 15 sen per piece. Flying squirrels are more expensive and vary in price from 90 sen per piece for those from Kyushu to 2·50 yen for those from Oshu and Echigo prefectures. The catch last season amounted to 400,000 squirrels and 150,000 flying squirrels.

#### FUR EXPORTS

Expansion has been evident in the exports of furs from Japan during the last few years, the total being 3,023,242 yen in 1934 and 3,642,062 yen in 1935. Official returns give the 1935 exports as follows: rabbit, 1,598,238 yen; mink, 1,186,948 yen; squirrel, 199,578 yen; "others," 657,298 yen.

Rabbit furs find their largest market in the United States (1,518,252 yen). Much smaller amounts are exported to Canada (37,621 yen) and China (33,160 yen). Mink furs go principally to the United States (1,185,029 yen). Squirrels were exported to the United States (165,883 yen) and Great Britain (33,475 yen). "Others" consist in the main of a few silver fox furs, martens, and racoons. The United States was the principal buyer (469,509 yen), followed by

Great Britain (147,166 yen), Canada (11,578 yen), Kwantung Province (8,092 yen), and Australia (7,742 yen).

#### FUR IMPORTS

While Japan imports furs from a great number of countries, in some cases the amounts are extremely small; the following table gives only the names of the larger suppliers:—

	1935 Yen	1934 Yen
Total . . . . .	803,204	1,084,719
Manchukuo . . . . .	446,827	260,688
China . . . . .	171,749	596,971
Great Britain . . . . .	41,149	38,264
France . . . . .	10,457	4,673
Russia . . . . .	3,303	6,255
United States . . . . .	22,367	12,642
Canada . . . . .	4,758	5,743
Argentina . . . . .	16,570	4,727
Brazil . . . . .	5,755	17,086
New Zealand . . . . .	69,394	84,487

Imports have been decreasing in value in the last few years due to increased production in Japan, especially of silver fox furs. The returns do not differentiate as to kinds of furs included in the above totals. However, it is possible to give a fairly accurate estimate of the number of the principal furs imported. In 1935 there were approximately 10,000 pieces of mink, 500 pieces of silver fox, 2,100 pieces of red fox, 3,000 goat skins, 50,000 pieces of squirrels, and 2,000 dogs. Actual sources of supply of mink, silver fox, and red fox are difficult to ascertain, as they were bought at the fur auctions in London and New York. Goat skins and squirrels come principally from Manchuria, Korea, and China.

Canada's shipments consisted for the most part of silver fox furs. Canadian silver fox furs were also bought at the auctions in New York and London for shipment to Japan, as Canadian fox furs are greatly prized here. Japanese fur buyers are in fact securing an increasing proportion of their furs each year from the auctions, a factor which is causing direct trade to decline. The advantages to the Japanese buyers are obvious, as in this manner it is possible for them to bid on and secure exactly the kind and quality of furs which they know to be saleable in this market.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### United Kingdom Tariff Revision Proposals

The Import Duties Advisory Committee of the United Kingdom give notice of an application for an increase in the import duty on zinc sheets and plates, whether grained or polished or not, of a description commonly used for lithographic or engraving purposes.

Zinc sheets and plates, if plain and exceeding 0.006 of an inch in thickness and not plated, coated, drilled, or punched, are at present dutiable at £5 per ton (2,240 pounds) or 15 per cent ad valorem, whichever rate would yield the greater amount of duty. Other zinc plates and sheets are mainly dutiable at 20 per cent ad valorem.

Zinc sheets and plates which are British Empire products within the meaning of the Imperial Preference regulations will continue to be admitted duty free.

### United Kingdom Quota Payments on Flour

The Wheat (Quota Payments) No. 3 Order, 1936, of the United Kingdom, effective November 1, reduces from 9.6 pence to 4.8 pence the payment to be made to the Wheat Commission in respect of each hundredweight of flour imported into or milled in the United Kingdom. The fund created by these pay-

ments is used to reimburse United Kingdom wheat growers to the extent of the difference between the ascertained average price of home-grown millable wheat in any cereal year and the standard price of 10s. per hundredweight fixed by the Wheat Act, 1932. Quota payments are levied on flour produced within the British Empire as well as on non-Empire flour.

### United Kingdom Tariff Changes

The Import Duties (Exemptions) (No. 7) Order, 1936, of the United Kingdom, effective October 30, enlarges the item in the Free List (duty free from all countries) which formerly read "Potassium carbonate, chloride and sulphate; kainite and other mineral potassium fertilizer salts," to read "Potassium carbonate; potassium chloride; potassium sulphate; kainite and other potassium fertilizer salts (not including potassium nitrate) whether mineral or not." In recommending the change, the Import Duties Advisory Committee pointed out that in certain instances it was found difficult to show that consignments of goods entered as "other mineral potassium fertilizer salts" actually consisted wholly of unprocessed minerals, and the removal of the limitation imposed by the word "mineral" would facilitate administration.

### Australian Tariff Decisions

Recent decisions of the Australian Customs Department on questions raised as to the classification and rates of duty applicable to imported goods include the following:—

Tool bags and tool boxes, for cycles and motor cycles, whether imported empty or containing tools, free of duty under the British preferential tariff, 25 per cent ad valorem under the general tariff. Tools contained in the bag or box are separately dutiable under appropriate items.

Enamelled metal reflectors for lamps, 5 per cent ad valorem under the British preferential, 50 per cent ad valorem under the general tariff.

Portable petrol pumps, consisting of pump, tank with wheels affixed, hose and gauge, £25 each under British preferential and £30 each under the general tariff, or 60 per cent and 75 per cent ad valorem respectively, whichever rates return the higher duty.

Oil tanks, fitted with pump, for storing and handling lubricating oils, 45 per cent ad valorem under British preferential, 65 per cent under the general tariff.

Ciment fondu and citadur cement, 35 per cent ad valorem under British preferential, 55 per cent under the general tariff.

Beach costumes (not being bathing costumes) comprising pair of shorts and brassiere, 45 per cent ad valorem under British preferential, 65 per cent under the general tariff.

Aeroplane model sets being material for the construction of toy aeroplanes driven by rubber bands connected to the propeller, 30 per cent ad valorem under British preferential, 60 per cent under the general tariff.

Buttons having a metal shank or loop for attachment to boots or shoes or slippers, free under British preferential, 15 per cent ad valorem under the general tariff (under by-law).

Vertical-type, power-operated perforating machines designed to make a series of straight line perforations in paper, free under British preferential, 15 per cent ad valorem under the general tariff (under by-law).

The following are added to the list of materials and minor articles for use in manufacturing in Australia admitted, by by-law, free of duty under British preferential, 15 per cent ad valorem under the general tariff: soft fibreboard, for use in the manufacture of covers for writing pads; steel blanks for the manufacture of spades excepting post hole spades of shovel shape; paper in sheets for the manufacture of toilet paper; plain webbing, or with non-advertising matter woven thereon, not including elastic webbing, for use in the manufacture of apparel; square, welded, iron and steel pipes and tubes, 20-gauge,  $\frac{1}{2}$ ,  $\frac{3}{8}$ , and 1 inch, for use in the manufacture of bedsteads.

Canadian products are accorded the British preferential rates quoted above; the general tariff rates apply to all countries outside the British Empire.

### Belgian Import Licence Tax

A Belgian royal decree of October 22, published in the *Moniteur Belge* of October 30, provides for an increase in the rate of the tax on licences to import certain dairy products. The following table lists the products affected and shows previous and new rates. The new rates are applicable on and after October 22, 1936:—

Designation of Product	Rate of Tax In Belgian Francs	
	Previous	New
Butter . . . . .per kilogram	6.00	7.50
Milk . . . . .per hectolitre	30.00	37.50
Liquid buttermilk . . . . .per hectolitre	5.00	6.25
Fresh cream . . . . .per kilogram	4.00	5.00
Powdered milk and cream, sweetened or not, including powdered skimmed milk and buttermilk .per kilogram	2.00	2.50
Condensed milk or cream, sweetened or not .per kilogram	0.80	1.00

(One Belgian franc equals \$0.0339; one kilogram equals 2.2046 pounds; one hectolitre equals app. 22 gallons.)

### Netherlands Abolishes Import Restrictions on Rubber Clothing

Mr. J. C. Macgillivray, Canadian Trade Commissioner, Rotterdam, advises that by a royal decree effective November 4, 1936, the restrictions on the importation into the Netherlands of clothing for men, women, boys, girls, and small children, manufactured of tissues with rubber, have been abolished. Imports during the period December 1, 1935, to November 30, 1936, were limited to 40 per cent of the average value and 70 per cent of the average quantity imported from each exporting country per twelve months during the years 1930 and 1931.

### Bolivian Import Prohibitions

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes that a Bolivian decree of September 5, 1935, issued in connection with exchange control regulations, prohibits the importation into Bolivia of a long list of goods specified in the decree. Among the prohibited imports are: herrings, cod, dried and salted fish in general; liquors, beer, wine; aluminum manufactures, provided they constitute unnecessary or luxury articles; biscuits and soda biscuits; leather footwear; confectionery, candies, bonbons, etc., including jellies and marmalades; prepared meats, fish and other prepared foodstuffs, except salmon; tobacco; phonographs; wooden doors, windows and similar articles for buildings; furniture; passenger automobiles except omnibuses. A complete list of the goods affected is on file at the Department of Trade and Commerce, Ottawa.

A further article of this decree prohibits, with certain exceptions, as from November 1, 1936, importation of all merchandise which has been purchased with exchange other than that granted by the Exchange Control Board or by the central or commercial banks.

## TENDERS INVITED

### New Zealand

Copies of specifications have been received from Mr. C. M. Croft, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department, Wellington, and the Post and Telegraph Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, and the Director-General (Stores Division), General Post Office, Wellington, in accordance with these specifications. Particulars are as follows:—

*Public Works Department.*—Arapuni power scheme, Section 518. One 5-ton 2-motor stop log gantry crane (work to include motors, trolleys and accessories, auxiliary hoist and all steel work for gantry exclusive of railbearers and rails). To specification. (Tenders close January 26, 1937.) Section 3, Southland Scheme.—Four 5,000-kv.a. single-phase auto-transformers complete with all accessories, to specification (tenders close February 16, 1937).

*Post and Telegraph Department.*—110,000 screws, coach, galvanized steel, various sizes, to specification (tenders close January 18, 1937).

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOVEMBER 16

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 16, and for the week ending Monday, November 9, 1936, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending November 9	Nominal Quotations in Montreal Week ending November 16	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1867	\$ .1866	3½
Belgium . . . . .	Belga	.1001	.1689	.1689	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0354	.0353	3
Denmark . . . . .	Krone	.2680	.2173	.2180	3½
Finland . . . . .	Markka	.0252	.0215	.0216	4
France . . . . .	Franc	.0392	.0463	.0464	2
Germany . . . . .	Reichsmark	.2382	.4017	.4020	4
Great Britain . . . . .	Pound	4.8666	4.8692	4.886	2
Greece . . . . .	Drachma	.0130	.0090	.0090	7
Holland . . . . .	Guilder	.4020	.5357	.5396	2½
*Hungary . . . . .	Pengo	.1749	.2951	.2946	4
Italy . . . . .	Lira	.0526	.0525	.0525	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0230	5
Norway . . . . .	Krone	.2680	.2446	.2453	3½
Poland . . . . .	Zloty	.1122	.1880	.1881	5
Portugal . . . . .	Escudo	.0442	.0442	.0443	4½
Roumania . . . . .	Leu	.0060	.0075	.0075	4½
Spain . . . . .	Peseta	.1930	.....	.....	5
Sweden . . . . .	Krona	.2680	.2510	.2517	2½
Switzerland . . . . .	Franc	.1930	.2295	.2297	2
United States . . . . .	Dollar	1.0000	.9987	.9987	1½
Mexico . . . . .	Peso	.4985	.2772	.2775	4-5
Cuba . . . . .	Peso	1.0000	.9990	.9980	—
Guadeloupe . . . . .	Franc	.0392	.0463	.0464	—
Jamaica . . . . .	Pound	4.8666	4.8792	4.8939	—
Martinique . . . . .	Franc	.0392	.0463	.0464	—
Other British West Indies	Dollar	1.0138	1.0144	1.0175	—
Argentina . . . . .	Peso (Paper)	.4245	.3246	.3256	3½
Brazil . . . . .	Milreis (Paper)	Unofficial	.2762	.2772	—
			.1196	.0863	—
		Unofficial	.0584	.0585	—
British Guiana . . . . .	Dollar	1.0138	1.0144	1.0175	—
Chile . . . . .	Peso	.1217	.0516	.0516	4½
		Unofficial	.0416	.0416	—
Colombia . . . . .	Peso	.9733	.5686	.5696	4
Peru . . . . .	Sol	.2800	.2497	.2497	6
Venezuela . . . . .	Bolivar	.1930	.2497	.2497	—
Uruguay . . . . .	Peso	1.0342	.8003	.7990	—
South Africa . . . . .	Pound	4.8666	4.8631	4.8775	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	4.9938	5.0037	—
China (Shanghai) . . . . .	Dollar	.....	.2972	.2941	—
Hongkong . . . . .	Dollar	.....	.3046	.3048	—
India . . . . .	Ruppee	.3650	.3676	.3687	3
Japan . . . . .	Yen	.4985	.2844	.2853	3.29
Java . . . . .	Guilder	.4020	.5378	.5416	—
Siam . . . . .	Baht (Tical)	.4424	.4460	.4458	—
Straits Settlements . . . . .	Dollar	.5678	.5709	.5730	—
Australia . . . . .	Pound	4.8666	3.895	3.907	—
New Zealand . . . . .	Pound	4.8666	3.9262	3.938	2½
		* Unofficial:	.1976	.1975	—

The Dominion Bureau of Statistics has supplied the following note:—

The principal European exchanges including sterling, the French franc, and the guilder were slightly stronger in terms of dollars during the second week of November. Moderate declines in rates on New York funds coincided with the revival of the silver agitation, and intimations that the influx of foreign funds into the New York security market might be curbed. The United States dollar at Montreal remained at a discount of approximately 0.125 per cent throughout the week ended November 16, but the closing rate of \$4.8839 on sterling showed a gain of 1½ cents.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Kitchener, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Commercial Intelligence Service, Municipal Affairs Department, Quebec.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Canned Pink Salmon.....	727	Dublin, Irish Free State...	Agency.
Patent Medicines.....	728	Havana, Cuba.....	Purchase and Agency.
<b>Miscellaneous—</b>			
Feeds (Animal).....	729	Cardiff, Wales.....	Agency.
Dry Colours for the Manufacture of Printing Inks of all Kinds.	730	Tientsin, China.....	Purchase and Agency.
Glassine Waxed Paper, and Waxed Wrapping Paper.	731	Dublin, Irish Free State...	Agency.
Vulcanized Fibre in Sheets for Outside Work on Railway Tracks.	732	Darlington, England.....	Purchase.
Canvas Work Gloves with Leather Palm and Fingers.	733	Mexico City, Mexico.....	Agency.
Electric Stove Switches.....	734	Durban, South Africa.....	Agency.
Electric Stove Wire 12, 14 and 16 Gauge S.W.G. (Red and Blue).	735	Durban, South Africa.....	Agency.
Rock Wool.....	736	Durban, South Africa.....	Agency.
Cement.....	737	San Juan, Puerto Rico.....	Purchase.
Combined Boiler and Washing Machine (Gas-heated).	738	Northampton, England....	Purchase.

## FRUIT SHIPMENTS TO EGYPTIAN AND INDIAN PORTS

With a view to catering to the apple export trade from Canada to Egypt and Palestine, the Ellerman & Bucknall Steamship Company, Limited, have announced a regular fortnightly service from Saint John to Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras, and Calcutta. These steamers will make Alexandria their first port of call after leaving Saint John, the time in transit being eighteen days. The first sailing is by the *Cedarbank*, which leaves Saint John on November 30. Messrs. McLean Kennedy, Limited, Montreal and Saint John, are the agents.

## DIRECT SERVICE FROM EASTERN CANADA TO SOUTHWEST AFRICA

The attention of Canadian exporters is directed to the fact that the Elder Dempster Lines, Limited, are now making direct calls at Walvis Bay. The next sailing is by the *Egba* from Montreal on November 25.

## PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

### From Montreal

*To Liverpool*.—Duchess of Bedford, Nov. 25; Montrose, Nov. 26—both Canadian Pacific.

*To London*.—Beaverford, Canadian Pacific, Nov. 26; Alaunia, Cunard-White Star Line, Nov. 27.

*To Manchester*.—Manchester Citizen, Nov. 25; Manchester Regiment, Nov. 28—both Manchester Line.

*To Avonmouth, Cardiff and Swansea*.—Norwegian, Cunard-Donaldson and Dominion Lines, Nov. 25.

*To Southampton*.—Montrose, Canadian Pacific, Nov. 26.

*To Glasgow*.—Letitia, Donaldson-Atlantic Line, Nov. 27.

*To Newcastle and Leith*.—Cairnross, Cairn-Thomson Line, Nov. 28.

*To Aberdeen and Hull*.—Kyno, Ellerman's Wilson Line, Nov. 26.

*To Antwerp and Havre*.—Grey County, Nov. 26; Brant County, Nov. 27—both County Line.

*To Rotterdam*.—Alaska, Nov. 23; Hada County, Nov. 28—both County Line.

*To Hamburg*.—Frankfurt (calls at Bremen), North German Lloyd Line, Nov. 27.

*To St. John's, Nfld., and St. Pierre-Miquelon*.—Delia, Shaw SS. Co., Nov. 27.

*To Puerto Rico, Barbados, Trinidad and Demerara*.—Cornwallis, Canadian National, Nov. 25 (calls at Guadeloupe and Martinique if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin and Bluff*.—Canadian Constructor, Montreal-Australia-New Zealand Line, Nov. 24.

*To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London and Durban*.—Egba (calls at Walvis Bay, Lourenco Marques and Beira), Elder Dempster Lines Ltd., Nov. 25.

*To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta*.—City of Ripon, Ellerman & Bucknall SS. Co., Nov. 25.

### From Saint John

*To Liverpool*.—Montcalm, Dec. 4; Duchess of York, Dec. 12; Montclare, Dec. 18; Montrose, Dec. 25—all Canadian Pacific.

*To London*.—Beaverbrae, Dec. 3; Beaverdale, Dec. 10; Beaverburn, Dec. 17; Beaverford, Dec. 24—all Canadian Pacific.

*To London, Antwerp and Rotterdam*.—Haukefjell, J. Brack Shipping Co. Inc. Dec. 9.

*To Manchester.*—Manchester Port, Dec. 10; Manchester Producer, Dec. 17; Manchester Division, Dec. 24—all Manchester Line.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Dec. 11.

*To Avonmouth, Cardiff and Swansea.*—Airthria, Dec. 10; Dakotian, Dec. 26—both Cunard-Donaldson and Dominion Lines.

*To Glasgow.*—Delilian, Dec. 17; Sulairia, Dec. 31—both Donaldson-Atlantic Line.

*To Antwerp and Hamburg.*—Beaverburn, Canadian Pacific, Dec. 17.

*To Barcelona, Marseilles, Genoa, Naples, Messina, Palermo, Valencia and Seville.*—Capo Lena, Capo Line, Dec. 14.

*To Montevideo and Buenos Aires.*—Nordkap, Canada-South America Line, Dec. 20; Flint II (calls at Santos but not at Montevideo), International Freighting Line, Dec. 23.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, Nov. 25; Lady Nelson, Dec. 9; Lady Hawkins, Dec. 23—all Canadian National.

*To Kingston and Jamaican Outports.*—A steamer, United Fruit Line, Dec. 5.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—Cedarbank, Nov. 30; City of Ripon, Dec. 15—both Ellerman & Bucknall SS. Co.

### From Halifax

*To Liverpool.*—Nova Scotia, Nov. 28; Newfoundland, Dec. 24—both Furness Line; Manchester Hero, Dec. 2; Manchester Brigade, Dec. 12—both Manchester Line; Montcalm, Dec. 5; Duchess of York, Dec. 13; Montclare, Dec. 19; Montrose, Dec. 26—all Canadian Pacific; Lancastria, Cunard-White Star Line, Dec. 7.

*To London.*—Capulin (calls at Hull and Dundee), Nov. 26; Cold Harbor (calls at Dundee), Dec. 10; City of Flint (calls at Dundee), Dec. 24—all American Hampton Roads; Beaverbrae, Dec. 4; Beaverdale, Dec. 11; Beaverburn, Dec. 18; Beaverford, Dec. 25—all Canadian Pacific; Ascania, Dec. 6; Aurania, Dec. 13; Ausonia, Dec. 27—all Cunard-White Star Line.

*To Manchester.*—Manchester Spinner, Nov. 24; Manchester Hero, Dec. 2; Manchester Port, Dec. 12; Manchester Producer, Dec. 19; Manchester Citizen, Dec. 26—all Manchester Line.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Dec. 12.

*To Cardiff, Bristol and Swansea.*—Montreal City, Dec. 19; Boston City, Jan. 4—both Bristol City Line.

*To Aberdeen, Newcastle and Hull.*—Kelso, Ellerman's Wilson Line, Dec. 19.

*To Avonmouth, Cardiff and Swansea.*—Airthria, Dec. 12; Dakotian, Dec. 28—both Cunard-Donaldson and Dominion Lines.

*To Glasgow.*—Delilian, Donaldson-Atlantic Line, Dec. 19.

*To Newcastle and Leith.*—Cairnross, Dec. 1; Cairnesk, Dec. 17; Cairnglen, Dec. 31—all Cairn-Thompson Line; Cold Harbor, American Hampton Roads, Dec. 10 (does not call at Newcastle).

*To Antwerp.*—Beaverburn, Canadian Pacific, Dec. 18.

*To Hamburg.*—Capulin, American Hampton Roads, Nov. 26; Beaverburn, Canadian Pacific, Dec. 18.

*To Copenhagen and Baltic Ports.*—Pilsudski, Nov. 30; Batory, Dec. 14—both Gdynia-America Line (call at Gdynia).

*To Gothenburg.*—Gripsholm, Swedish-America Line, Dec. 10.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Nova Scotia (does not call at St. Pierre), Nov. 28; Newfoundland, Dec. 24—both Furness Line; Fort Townsend, Nov. 30 and Dec. 21; Fort Amherst, Dec. 7—both Furness-Red Cross Line; Kongshaug, Newfoundland-Canada SS. Ltd., Nov. 30; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Dec. 2.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, Dec. 3; Lady Nelson, Dec. 17; Lady Hawkins, Dec. 31—all Canadian National.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Cornwallis, Nov. 29; Colborne, Dec. 12; Chomedy, Dec. 26—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Lady Rodney, Nov. 26 and Dec. 24; Cavelier (does not call at Hamilton or Nassau), Dec. 3; Lady Somers, Dec. 10; Cathcart (does not call at Hamilton or Nassau), Dec. 17—all Canadian National.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Silverwalnut, Dec. 5; Malayan Prince, Dec. 19; Silverteak, Jan. 2—all Silver-Prince Line.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Armada, Montreal-Australia-New Zealand Line, Dec. 28.

*To Auckland, Wellington, Lyttelton and Dunedin.*—Canadian Highlander, Montreal-Australia-New Zealand Line, Dec. 21.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hiye Maru, Dec. 5; Heian Maru, Dec. 26—both Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Talthybius (calls at Miike but not at Manila), Blue Funnel Line, Nov. 28; Empress of Asia (calls Nagasaki), Nov. 27; Empress of Canada (calls Honolulu), Dec. 12; Empress of Russia (calls Nagasaki), Dec. 18—all Canadian Pacific.

*To Shanghai.*—Harpagon, Ocean Shipping Co., Nov. 27.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Silveray, Silver-Java Pacific Line, Nov. 30.

*To Honolulu, Suva, Auckland and Sydney.*—Niagara, Dec. 2; Aorangi, Dec. 30—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Cloud (calls at Lyttelton and Dunedin if sufficient cargo offered), Dec. 20; Golden West, Jan. 16—both Oceanic and Oriental Navigation Co.

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Limerick (calls at New Plymouth and Bluff), Nov. 25; Hauraki (calls at Papeete), Dec. 31—both Canadian-Australasian Line.

*To Papeete, Beauty Point, Melbourne and Sydney.*—Cape Horn, Canadian-Australasian Line, Nov. 23.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Anten, Empire Shipping Co., Dec. 14.

*To Sydney, Melbourne and Adelaide.*—Uganda, November-December; Bolton Hall, November-December; Nyanza, November-December—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Nitheroy, Nov. 28; Damsterdyk (calls at Glasgow), Dec. 12; Lochgoil, Dec. 26—all Holland-America Line.

*To London, Liverpool and Cardiff.*—Vernon City, Reardon Smith Line, Dec. 3.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—San Antonio, Nov. 26; Oregon, Dec. 10—both Empire Shipping Co.

*To Scandinavian Ports.*—Canada, Johnson Line, Dec. 7.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Leme, Dec. 5; Fella, Dec. 31—both Empire Shipping Co.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—Olympus, Canadian Transport Co., last week of November.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Silverpalm, Silver-Java Pacific Line, Dec. 5.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—Hoyanger, Nov. 27; a steamer, Dec. 28; Hardanger, Jan. 28—all Empire Shipping Co.

### From New Westminster

*To United Kingdom Ports.*—Kassandra Louloudis, Nov. 23; Abraham Lincoln, Dec. 11; Benjamin Franklin, Dec. 24—all Anglo-Canadian Shipping Co.; Cressdene, Nov. 25; Queen City, Nov. 25; Tilsington Court, Nov. 29—all Seaboard Shipping Co.; Geddington Court, Canadian Transport Co., Nov. 25.

*To London, Liverpool and Glasgow.*—Gaelic Star (also calls at Rotterdam and Antwerp), Nov. 25; Ionic Star (also calls at Rotterdam and Newcastle), Dec. 7—both American Mail Line Ltd.; Corrientes, Balfour Guthrie & Co., Nov. 28; Nitheroy (also calls at Southampton and Rotterdam), Royal Mail Lines, Nov. 29; Pacific Shipper (also calls at Manchester), Furness Line, Dec. 4.

*To Havre, Rotterdam, Liverpool and Glasgow.*—Oregon Express, Nov. 25; British Columbia Express, Dec. 8—both B. W. Greer & Son Ltd.

*To Australian Ports.*—Eli, Nov. 25; Chris. Knudsen, Nov. 25; Preneiro, Dec. 24—all Anglo-Canadian Shipping Co.; Naumea, Canadian Transport Co., Nov. 25.

*To Chinese Ports.*—Silveray, Nov. 29; Hopecrest, Dec. 26—both Dingwall Cotts & Co.

*To Japanese Ports.*—Tyndareus, Dodwell & Co. Ltd., Dec. 10.

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. (Territory covers Central China, North China, and Manchuria.) *Cable address, Canadian.*

### Cuba

E. L. McCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

### Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

### Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

### India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

### Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

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**CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.**

**Japan**

*Tokyo:* J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

*Kobe:* R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

**Mexico**

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

**Netherlands**

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

**New Zealand**

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

**Norway**

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

**Panama**

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

**Peru**

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

**South Africa**

*Cape Town:* G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

*Johannesburg:* J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

**United Kingdom**

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London:* W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

**United States**

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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No. 1713



Transmission Line Material from Canada being loaded on Trucks  
at Shanghai

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LV

Ottawa, November 28, 1936

No. 1713

## EXCHANGE SITUATION IN CHILE

Recent information received from Mr. M. J. Vechsler, Canadian Trade Commissioner at Lima, Peru, indicates that the entry of Canadian goods into Chile is now subject to most severe restriction. Pending the receipt of more detailed information, Canadian exporters should take every precaution, prior to making shipments, to satisfy themselves that prompt payment is adequately assured.

## AGREEMENTS BETWEEN CANADA AND GERMANY

The text of the Provisional Trade Agreement and Payments Agreement between Canada and Germany, which was signed at Ottawa on October 26, 1936, together with the explanatory statement on the Agreements that appeared in *Commercial Intelligence Journal* No. 1709 (October 31), has been reprinted in pamphlet form. Copies of this publication (in English or French) may be obtained free of charge by interested Canadian institutions and firms on application to the Department of Trade and Commerce, Ottawa.

## TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in Canada in the interest of Canadian trade with their respective territories; Mr. G. B. Johnson, Glasgow; and Mr. Frederick Palmer, Bristol (whose territory includes the West of England, South Wales, and South Midlands).

Their itineraries are as follows:—

### Mr. Johnson

Stratford .. . . .	Nov. 30 and Dec. 1	Quebec .. . . .	Dec. 28
Kitchener .. . . .	Dec. 2 to 4	Fredericton. . . . .	Dec. 30
Guelph .. . . .	Dec. 5	St. John. . . . .	Jan. 2 to 5
Brampton .. . . .	Dec. 5	Bridgetown. . . . .	Jan. 6
Montreal .. . . .	Dec. 7 to 22	Halifax. . . . .	Jan. 7 and 8
Granby .. . . .	Dec. 23		

### Mr. Palmer

Fredericton .. . . .	Dec. 1	Bridgetown and Kentville.	Dec. 7 and 8
St. John. . . . .	Dec. 2 and 3	Halifax .. . . .	Dec. 9 and 10
Yarmouth .. . . .	Dec. 4		

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade, and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## SUMMARY OF THE TRADE OF CANADA: MONTH, TEN MONTHS, AND TWELVE MONTHS ENDING OCTOBER, 1936

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of October, 1936				Ten Months ending October, 1936				Twelve Months ending October, 1936			
	Total Imports	From United Kingdom	From United States	\$	Total Imports	From United Kingdom	From United States	\$	Total Imports	From United Kingdom	From United States	\$
<i>Imports for Consumption</i>												
Agricultural and Vegetable Products.....	13,913,161		1,561,581		98,794,141	13,484,250	30,582,333		119,578,532	17,279,223	35,163,212	
Animals and Animal Products.....	2,437,042		578,362		21,650,027	3,428,397	30,354,076		23,630,393	4,111,837	1,527,627	
Fibres, Textiles and Textile Products.....	9,432,132		4,090,819		51,181,719	37,695,044	26,683,051		46,211,363	43,610,423	33,211,190	
Wood, Wood Products and Paper.....	2,808,970		399,877		22,294,713	2,793,380	27,397,963		36,146,398	21,578,074	100,906,180	
Iron and its Products.....	12,296,163		2,193,625		110,731,458	17,393,353	88,704,483		127,365,253	61,376,233	6,024,784	
Non-Ferrous Metals and their Products.....	3,301,137		546,731		29,201,337	4,444,320	20,234,861		35,079,359	5,513,944	24,221,242	
Non-Metallic Minerals and their Products.....	13,011,533		1,389,162		9,480,790	94,739,418	10,748,012		111,994,469	12,738,226	83,545,590	
Chemicals and Allied Products.....	3,345,568		807,061		25,884,941	5,400,399	15,229,369		31,439,596	6,847,386	17,866,858	
Miscellaneous Commodities.....	4,382,835		978,219		31,627,146	5,962,264	21,319,459		36,876,566	6,971,194	24,637,394	
<b>Total Imports, 1936.....</b>	<b>65,158,561</b>	<b>12,545,957</b>	<b>36,135,929</b>		<b>516,094,934</b>	<b>101,976,650</b>	<b>301,845,870</b>		<b>610,552,149</b>	<b>122,094,356</b>	<b>351,925,701</b>	
<b>1935.....</b>	<b>32,751,020</b>	<b>11,533,951</b>	<b>29,773,518</b>		<b>455,787,336</b>	<b>96,552,521</b>	<b>262,336,773</b>		<b>544,778,737</b>	<b>116,443,864</b>	<b>311,692,530</b>	
<b>1934.....</b>	<b>47,228,804</b>	<b>10,972,699</b>	<b>25,796,700</b>		<b>424,478,096</b>	<b>93,554,321</b>	<b>244,423,756</b>		<b>503,557,208</b>	<b>113,207,217</b>	<b>286,248,958</b>	
<b>Total Exports.....</b>	<b>45,234,819</b>	<b>28,577,354</b>	<b>10,322,831</b>		<b>257,090,817</b>	<b>148,191,160</b>	<b>52,690,369</b>		<b>314,543,085</b>	<b>186,228,435</b>	<b>63,241,867</b>	
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	11,032,339		7,030,691		100,201,470	24,206,339	36,547,839		113,107,861	9,426,152	4,452,160	
Animals and Animal Products.....	20,813,819		13,507,305		169,632,764	27,023,007	115,222,654		181,968,368	32,850,939	138,729,540	
Fibres, Textiles and Textile Products.....	28,367,260		4,039,320		142,370,119	10,030,985	85,847,972		208,317,499	30,563,957	17,736,233	
Wood, Wood Products and Paper.....	23,367,260		5,915,596		173,586,119	62,167,063	82,587,315		201,953,957	72,966,490	109,648,888	
Iron and its Products.....	2,523,661		205,878		18,578,337	2,090,281	11,884,087		22,522,258	2,625,485	7,089,887	
Non-Ferrous Metals and their Products.....	1,707,665		390,082		15,624,928	2,990,686	6,384,087		17,723,571	3,813,182	7,893,806	
Non-Metallic Minerals and Allied Products.....	1,707,665		612,067		12,598,169	3,040,570	7,310,976		14,578,976	3,296,321	8,690,407	
Miscellaneous Commodities.....	1,707,665		814,406		15,624,928	2,990,686	6,384,087		17,723,571	3,813,182	7,893,806	
<b>Total Exports, 1936.....</b>	<b>110,998,708</b>	<b>47,767,913</b>	<b>44,592,810</b>		<b>796,159,731</b>	<b>311,337,601</b>	<b>390,455,806</b>		<b>967,742,508</b>	<b>379,704,914</b>	<b>392,450,652</b>	
<b>1935.....</b>	<b>90,526,156</b>	<b>42,897,612</b>	<b>32,213,033</b>		<b>683,701,337</b>	<b>239,639,729</b>	<b>286,574,890</b>		<b>734,298,603</b>	<b>298,430,823</b>	<b>349,838,179</b>	
<b>1934.....</b>	<b>77,238,809</b>	<b>38,790,960</b>	<b>22,404,006</b>		<b>618,117,975</b>	<b>246,385,430</b>	<b>237,855,120</b>		<b>709,572,899</b>	<b>306,370,943</b>	<b>270,567,171</b>	
<i>Exports (Foreign Produce)</i>												
Agricultural and Vegetable Products.....	2,004,072		66,912		9,460,438	764,398	8,089,052		12,816,449	927,332	11,146,806	
Animals and Animal Products.....	798,700		69,446		9,711,934	654,388	8,476,913		10,800,554	755,950	9,361,614	
Fibres, Textiles and Textile Products.....	565,074		107,580		5,918,172	776,236	4,565,255		7,155,556	899,240	5,947,228	
<b>Total Exports, 1936.....</b>	<b>2,004,072</b>	<b>66,912</b>	<b>1,878,047</b>		<b>259,604,235</b>	<b>140,625,349</b>	<b>26,698,988</b>		<b>370,006,808</b>	<b>258,537,900</b>	<b>51,671,847</b>	
<b>1935.....</b>	<b>1,432,112</b>	<b>31,433,112</b>	<b>3,095,565</b>		<b>207,695,935</b>	<b>213,131,596</b>	<b>32,715,030</b>		<b>260,259,430</b>	<b>173,742,789</b>	<b>47,506,963</b>	
<b>1934.....</b>	<b>30,595,079</b>	<b>27,926,141</b>	<b>2,925,589</b>		<b>199,558,031</b>	<b>154,105,175</b>	<b>1,963,351</b>		<b>243,171,241</b>	<b>194,062,513</b>	<b>10,134,029</b>	
<i>Excess of Imports (i) or All Exports (e)</i>												
<b>Totals, 1936.....</b>	<b>(e) 47,844,219</b>	<b>(e) 35,258,868</b>	<b>(e) 10,324,928</b>		<b>(e) 259,604,235</b>	<b>(e) 140,625,349</b>	<b>(e) 26,698,988</b>		<b>(e) 370,006,808</b>	<b>(e) 258,537,900</b>	<b>(e) 51,671,847</b>	
<b>1935.....</b>	<b>(e) 38,571,830</b>	<b>(e) 31,433,112</b>	<b>(e) 3,095,565</b>		<b>(e) 207,695,935</b>	<b>(e) 213,131,596</b>	<b>(e) 32,715,030</b>		<b>(e) 260,259,430</b>	<b>(e) 173,742,789</b>	<b>(e) 47,506,963</b>	
<b>1934.....</b>	<b>(e) 30,595,079</b>	<b>(e) 27,926,141</b>	<b>(e) 2,925,589</b>		<b>(e) 199,558,031</b>	<b>(e) 154,105,175</b>	<b>(e) 1,963,351</b>		<b>(e) 243,171,241</b>	<b>(e) 194,062,513</b>	<b>(e) 10,134,029</b>	

## ECONOMIC CONDITIONS IN CENTRAL CHINA

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

(Except where otherwise stated, values throughout this report are given in Chinese (Yuan) dollars, the value of which at Shanghai at time of writing is roughly Canadian \$0.30.)

Shanghai, October 27, 1936.—Business conditions in Central China suffered during the past quarter from the continued uncertainty over China's external political relations—in fact, during the last few weeks the political problem has outweighed all other factors affecting the commercial outlook and at time of writing the immediate future is necessarily still obscure.

### INDICATIONS OF IMPROVED CONDITIONS

Were it not for China's external problems, it could be said that the past quarter witnessed a further general improvement in this territory, arising chiefly from the more prosperous conditions in the interior as a result of the cumulative benefits accruing from the cessation of civil war and suppression of banditry during the past two years, plus bountiful crops this season.

Further, the threatened revolt in the South, which was looming up some months ago, was not only averted, but the outcome of the negotiations which took place in July between the Nanking Government and the leaders of the southern provinces of Kwantung and Kwangsi has resulted in a consolidation of control by the Central Government, which has made possible further progress toward the achievement of national unity. This liquidation of the southern semi-autonomous authority has been followed by the introduction of several financial reforms which are expected to benefit the country as a whole.

Meanwhile, the managed currency system of the Central Government at Nanking has been successfully maintained during the quarter, thus lending further confidence in its stability. The absence of any serious flood disasters this year, the danger of which has now passed for another season, plus the announcements of further railway and highway projects in various parts of the country were further indices of improved conditions internally, as were the export trade figures for the first nine months of the year, which have shown a steady upward trend as compared with the corresponding period of 1935.

### SITUATION AT SHANGHAI

Chinese business concerns in Shanghai reported an improvement in the credit situation at the time of the Mid-Autumn Festival, which fell on September 30, one of the three chief settlement days in the year when, according to tradition, Chinese firms meet their business obligations, and the Mid-Autumn Festival Day just passed found the money market in an easier condition than on previous settlement days this year.

As Shanghai is the largest industrial centre in China, the electric power consumption figures for this city are of interest in reflecting industrial conditions. In this connection the Shanghai Power Company, which serves the International Settlement, where the majority of Shanghai's industries are located, recently announced that their total kilowatt sales during the last half of 1935 showed a marked decrease as compared with the same period of 1934, but that while the reduction continued into the first half of 1936, there was a gradual improvement throughout this last-mentioned period, and since June sales have been showing a marked and significant increase.

### WHOLESALE PRICE AND COST OF LIVING INDEXES

According to indices for the month of September compiled by the National Tariff Commission, wholesale prices in Shanghai had risen to 107 as compared

with 104.3 in January this year and 91.1 in September, 1935 (1926 equals 100). The cost of living index for Shanghai rose to 113.5 during September as compared with 111 in January this year and 105.4 in September, 1935 (1926 equals 100).

#### AGRICULTURAL CROPS

Based on the final estimates just issued by the National Agricultural Research Bureau at Nanking, China's total wheat crop this year amounts to roughly 849,000,000 bushels, which represents the largest crop recorded within the last six years, during which period the bureau's records have been available. In addition, it is reported that other important crops, especially cotton and tobacco, have been unusually good this season—in fact, the cotton crop is estimated to be the largest on record. The three crops mentioned are among the most important cash crops produced in China, and the favourable yields obtained this year have accordingly increased the purchasing power of the interior. Evidence of this improvement in the interior has already been noticeable from recent reports, which indicate an unusually good demand for cotton-piece goods, including inquiries for imported cotton cloths from Great Britain for the first time in some years.

#### ADVERSE FACTORS

Among the adverse factors must be mentioned the continued smuggling of foreign goods into North China. This problem, which was referred to in some detail in the last report from this office on economic conditions, which appeared in *Commercial Intelligence Journal* No. 1699 (August 22), is one of the most serious obstacles facing the economic life of this country as, in addition to the obvious effect on legitimate business, there has to be taken into account the loss of customs revenue, which is of such importance in maintaining the national financial structure. In the absence of any official statistics, it has been impossible to gauge the extent of smuggling operations during the past three months, but, as far as can be ascertained, following a slackening in activity earlier in the summer due to the preventive measures adopted by the Central authorities to restrict the traffic in contraband goods inland from Tientsin by rail to Shanghai and to various interior ports, smuggling operations in the North have again been resumed on a large scale during the past two months.

An additional adverse factor in the economic situation, applying particularly to Shanghai, is the almost complete absence of any interest in property values. This is, of course, a legacy which Shanghai has inherited from the prosperity wave of some years ago, which brought with it an unprecedented boom in building construction. Meanwhile the prevailing lack of demand for real estate is one of the influences which are seriously retarding a return to a more normal credit situation in this city.

#### FINANCE

Resulting from the recent liquidation of the semi-independent position of Kwantung and Kwangsi, as already mentioned, the financial administration of these two provinces has been placed under the direct control of the Central Government at Nanking. While this development is not calculated to greatly increase the national revenue, it is expected through the various financial reforms contemplated for South China to bring about a unification in the financial affairs of the country as a whole, and one important step already taken has been to extend to the South the managed currency system put into effect last November throughout the rest of China.

In this latter connection, the Central Government, by its monetary authority exercised through the Central Bank of China, has tentatively stabilized the badly depreciated Canton currency at the rate of \$1.50 to \$1 Central Government currency (Chinese national dollar) by making the former receivable for taxes

at this ratio. It is expected, however, that a fixed ratio, similar or near to the above, will be arrived at in the near future. Meanwhile the two currencies are working side by side.

#### SUCCESSFUL BOND FLOTATION

Further evidence of improvement in the monetary situation in Shanghai was provided during the quarter by the immediate over-subscription to a bond issue offered, through the intermediary of the China Development Finance Corporation, by the Wing On Company, one of Shanghai's leading departmental stores. The successful flotation of this issue, which amounted to \$5,000,000, is of special significance inasmuch as it probably represents the first instance of a large bond flotation being handled exclusively by a Chinese enterprise which has underwritten the entire amount. The bonds pay interest at 7 per cent, and as the issue price was only 94, the yield aggregates 8 per cent.

#### INCREASE IN SAVINGS DEPOSITS

The total savings deposits in 76 Shanghai banks at the end of the first half of 1936 were recently reported by the Ministry of Finance to have reached \$491,900,000, representing an increase of \$56,600,000 over the amount shown for the same banks at the end of 1935. Further, although no definite figures are available, it is reported that, resulting from better conditions in North America, the South Sea Islands, and certain sections of the Middle East, overseas Chinese have increased their remittances back to China this year.

#### BRITISH EXPORT CREDITS REPRESENTATION

An interesting current development in the commercial relationship between China and Great Britain was the announcement made at Shanghai earlier this month by His Excellency Sir Hughe Knatchbull-Hugessen, H.B.M. Ambassador to China, of the decision by the British Government to appoint to China a special representative of the Export Credits Guarantee Department, with the object of examining at first hand applications for credits under the British export credit scheme, thus providing the means for extending the credit facilities of that Department to the benefit of British exports to China. Exports of United Kingdom goods to China have always been within the scope of the export credit scheme, but the Department has been handicapped in assessing credit risks by the rapidity with which conditions change in this country and by the time and expense involved in communications.

Taking into conjunction with the recent extended visit to China of Sir Frederick Leith Ross, Economic Adviser to the British Government, this step is interpreted locally as a significant expression of the renewed determination of Great Britain to compete in the Chinese market.

#### FOREIGN TRADE

The foreign trade of China for the first nine months of this year, amounting to \$1,192,230,542, represents an increase of 6.7 per cent over the corresponding period of 1935. It is significant that the increased volume of trade is due to a very substantial growth in exports, which reached \$507,522,397, or 27.9 per cent higher than for the first nine months of last year. In this connection allowance must be made, of course, for the currency depreciation when this country adopted a managed currency system at the beginning of November last year, but even after taking into account this depreciation, which is approximately 16 per cent, if exchange rates for the whole of 1935 are taken into account by comparison with the first nine months of this year, it will be evident that the volume of exports has risen considerably.

On the other hand, imports into the whole of China, which were valued at \$684,708,145 for the first nine months of this year, showed a decline of 4.9 per cent. Here again it is necessary to take into account the depreciation of the currency, which implies a still further falling-off in the value of imports. It must also be remembered, as mentioned in previous reports dealing with this subject, that owing to the large-scale smuggling operations, the import returns obviously do not represent a true picture of the actual volume of goods brought into this country.

Meanwhile, based on the official returns, the unfavourable balance of trade has been improved, as the excess of imports over exports declined during the first nine months of this year to \$177,185,748, as compared with \$323,774,525 during the corresponding period of 1935.

#### POSITION OF SHANGHAI IN THE FOREIGN TRADE OF CHINA

Throughout this year the port of Shanghai has been handling a considerably greater share of China's foreign trade, both as regards imports and exports, than in 1935. For the period January 1 to September 30 this year, Shanghai accounted for 60 per cent of the import trade as compared with 56 per cent during the same period of 1935, and in exports this port was responsible for over 52 per cent of the total as compared with 48 per cent for the first nine months of last year.

Below is given a comparative statement showing the actual value of imports and exports into and from Shanghai for the first nine months of 1935 and 1936 respectively:—

#### IMPORTS AND EXPORTS OF SHANGHAI

	Jan.-Sept. 1935 Chinese Dollars	Jan.-Sept. 1936 Chinese Dollars
Imports.. . . . .	403,675,000	413,308,000
Exports.. . . . .	192,292,000	265,449,000
Total.. . . . .	595,967,000	678,757,000

Again reverting to the smuggling operations, although, as reported earlier this year, the actual volume of contraband goods reaching Shanghai is limited by comparison with North China, it is generally recognized that many foreign products which would normally be shipped direct to this port and thus be shown in the official customs returns are still continuing to come in through illegitimate channels from the north and, to a lesser extent, from other sections of the country.

#### CENTRAL CHINA TRADE IN ALCOHOLIC BEVERAGES

##### H. A. SCOTT, CANADIAN TRADE COMMISSIONER

(One Chinese dollar equals 30 cents Canadian at present rate of exchange. The value of the Chinese Maritime Customs gold unit during the three years mentioned in this report was as follows: 1933, U.S.\$0.51; 1934, U.S.\$0.66; 1935, U.S.\$0.67. One litre equals 0.22 imperial gallon.)

Shanghai, September 18, 1936.—The per capita consumption of alcoholic beverages among white foreigners in Central China, as in most tropical or semi-tropical territories, is considerably larger than in Canada. The total outlet, however, is limited by the fact that the bulk of the demand for imported alcoholic beverages is dependent on the small foreign resident population, foreign transients, and the more well-to-do Chinese educated abroad.

By far the greatest proportion of the demand in Central China is confined to Shanghai, where there are estimated to be from 70,000 to 80,000 foreign residents. Approximately 32,000 of the foreign population, however, are Japanese, who principally consume Japanese sake and beer imported from Japan. The Russian

population of this city, which is estimated at close to 15,000, favours a locally-made vodka which is very cheap by comparison with imported spirits. Vodka is also used to a small extent by other foreigners, mainly as an aperitif.

The foreign residents and wealthier Chinese in Nanking, Hankow, and certain other cities in Central China provide a proportionately smaller outlet for imported alcoholic drinks, but the principal alcoholic beverage of the masses of the Chinese is *samshu*, which is an extremely cheap native wine made principally from rice or kaoliang and is somewhat similar to Japanese sake. To an increasing extent, the Chinese in recent years have also been taking to locally brewed beer.

### IMPORTS

The total value of alcoholic beverages imported during the last three years into the whole of China proper is given as follows: 1933, 1,858,811 gold units; 1934, 1,566,648; 1935, 1,547,761 gold units.

The percentage of imports credited to Shanghai during the years under review was 61, 64, and 63 respectively.

Below are given statistics showing the imports of the main items, along with notes dealing with the principal items of interest to Canadian exporters.

### WHISKY

The total imports of bottled whisky into China proper during 1933, 1934, and 1935 are shown in the following table, together with the chief sources of supply:—

	1933		1934		1935	
	Litres	G.U.	Litres	G.U.	Litres	G.U.
Total imports . . . . .	81,859	182,524	78,726	157,825	97,078	190,486
Canada . . . . .	7,569	15,981	11,764	22,995	10,351	18,914
Great Britain . . . . .	73,398	163,888	65,748	131,687	85,045	168,692
Total imports into Shanghai only	56,799	120,313	56,218	105,377	73,399	137,776

### SCOTCH WHISKY

United Kingdom distillers control the market for Scotch whisky. There are at least a dozen world-renowned brands enjoying a regular sale, in addition to which a number of lesser-known brands come in for a share of the available business.

### DUTIES

The figures shown above represent whisky imported in bottles as distinct from imports in bulk. The duty on bottled whisky is 21 gold units per case of twelve reputed quarts, in addition to which there is a surtax of 10 per cent of the duty and a conservancy charge of 4 per cent. Altogether, the duty on bottled whisky works out at approximately \$54 (about \$16.20 Canadian) per case of twelve reputed quarts.

The duty on bulk whisky, which is 80 per cent ad valorem plus the 10 per cent surcharge and 4 per cent conservancy tax, works out much cheaper, although varying, of course, according to the value of the whisky itself. In the case of one established brand the duty on bulk whisky amounts to \$23 (about \$6.90 Canadian) on a quantity equivalent to the contents of one case of twelve reputed quarts.

Bulk whisky has only been shown separately in the customs returns for the past two years, and imports for the whole of China during 1934 and 1935 are given as follows:—

	1934		1935	
	Litres	G.U.	Litres	G.U.
Total imports . . . . .	99,305	110,033	134,940	143,596
Great Britain . . . . .	98,919	109,311	127,849	137,514

The total imports into Shanghai alone are not available.

From the above table it will be seen that imports of bulk whisky substantially improved during 1935 over the previous year, and while whisky imported in bottles still enjoys a considerable sale in hotels and private homes, it is evident that the lower duty on the bulk product is encouraging importers to purchase the larger proportion of their requirements in bulk to be broken down and bottled locally.

#### RETAIL SELLING PRICES

The average retail selling price of whisky imported in bottles varies from \$8 to \$10, Shanghai currency, per reputed quart, whereas locally bottled whisky can be purchased at anywhere from \$3 to \$7 per quart bottle, and because of this disparity in price the locally bottled whisky is becoming increasingly popular in private homes. The clubs throughout Shanghai and other cities in this territory are also large buyers of imported bulk whiskies, which are put up under their own labels—in fact, certain Shanghai clubs do not serve proprietary brands at all as they affirm that to do so involves stocking far too many different whiskies to suit individual tastes. Apart from this consideration, of course, the bulk whisky is much cheaper, and even among those clubs which carry the more expensive proprietary brands imported into China in bottles the members invariably favour the club brands.

#### SPURIOUS MANUFACTURES

In addition to imported whisky, there is a considerable amount of spurious whisky manufactured locally which has a detrimental effect on the trade as a whole since this type of spirit is invariably put up in bottles having the original labels of recognized brands which have been collected from second-hand dealers, thus resulting in frequent complaints to the legitimate importer of the brands in question. This spurious whisky is sold sometimes as cheaply as \$1.20 to \$2 (about \$0.36 to \$0.60 Canadian) per bottle.

#### CAUSES OF INCREASED CONSUMPTION

As will be seen from the foregoing statistics, imports of bottled whisky increased during 1935 by comparison with previous years. According to one of the leading firms in the trade at Shanghai, this increase is not due to any improvement in demand, as the depressed conditions prevailing last year actually discouraged consumption, particularly of whisky imported in bottles. On the other hand, it is reported that the stricter control exercised during 1935 against the smuggling of whisky through Manchuria is responsible in part for the larger volume of whisky imported through legitimate channels as compared with 1934. An additional factor encouraging imports last year was the rumour of an increase in duty, which, however, did not materialize.

#### SMUGGLING

The general situation has, however, undergone a change during 1936, as it is known that smuggling during the first six months of this year at any rate was on the increase. In this connection, the higher rate of exchange ruling since last November, when China adopted a managed currency system, has tended to encourage the smugglers, and it is consequently anticipated that the volume of duty-paid bottled whisky imported to this market during the present year will show a considerable decline from 1935. If, however, the smuggled whisky, which is known to run into considerable proportions, is taken into account, the total imports of bottled whisky this year would probably be very much swollen.

Meanwhile, as there has so far been no smuggling of bulk whisky into Manchuria, it will be seen that the growing tendency of consumers to buy locally bottled whisky is assisting the legitimate trade to combat the smuggling menace, as the saving in duty effected by importing in bulk enables dealers to compete against smuggled supplies of bottled whisky.

## PROSPECTS FOR IMPORTATION FROM CANADA

While it is known that Canadian distillers are producing a Scotch type of whisky, the prospects of successfully introducing a Canadian brand to this market are considered negligible under present conditions. There are so many brands already selling here that business could only be developed by a prolonged and costly advertising campaign at the expense of the exporters. Even then it is questionable whether such advertising would be justified when it is considered that, in spite of the large number of Scotch whiskies available in Shanghai, three brands more or less dominate the market. Apart from the advertising carried on by these three distillers, practically all of the other well-known brands are also continuously advertised.

As far as the sale of bulk whisky to clubs, etc., under club labels is concerned, it would be very difficult to switch any of this class of business from present channels, even if competitive prices were offered, because of the long-established relations with such clubs enjoyed by importers who are tied to distillery connections in the United Kingdom.

## RYE WHISKY

The imports of bottled whisky credited to Canada in the above table consist of rye and bourbon whisky. The figures shown, of course, do not take into account the quantities smuggled into China through Manchuria, which illicit trade, as in the case of other spirits, is understood to represent a considerable percentage of the total imports. Exports for the fiscal year ending March 31, 1935, totalled 2,477 proof gallons valued at \$13,114, compared with 2,386 proof gallons valued at \$11,991 in fiscal year 1934.

Several Canadian rye and bourbon whisky distillers are at present represented in this market and one Canadian brand in particular has been well established in Shanghai for many years. There is, however, only a limited market for rye whisky in this territory, and an even smaller outlet for bourbon.

The duty on rye and bourbon whisky is the same as for Scotch, as indicated above.

## GIN

Below are given the total imports into China of gin in bottles during the last three years:—

	1933		1934		1935	
	Litres	G.U.	Litres	G.U.	Litres	G.U.
Total imports. . . . .	91,321	107,874	99,179	107,439	89,295	96,702
Great Britain . . . . .	88,151	103,319	93,314	100,633	86,795	93,705
Canada . . . . .	9	17	2,089	2,257	289	293
Netherlands . . . . .	1,976	2,756	2,496	3,010	1,541	1,766
Total imports in Shanghai only . .	66,758	76,628	74,921	79,620	59,757	61,184

While, as in the case of whisky, the United Kingdom is outstandingly the chief source of supply for gin, one or two Canadian brands which have been shipped here in bulk to be bottled locally have managed to obtain a foothold in the Shanghai market in recent years. It will be seen from the above figures that Canada was credited with a small quantity of bottled gin during 1934 but this trade fell away to practically nothing again last year. The business in bottled gin in 1934, it is understood, mainly consisted of shipments to the American forces here on a duty-free basis. Most of the Canadian gin, however, sold in this market comes in bulk owing to the saving in duty, as in the case of bulk whisky.

## IMPORT DUTY

The duty on bottled gin, which is 12.54 gold units per dozen reputed quarts (including the 10 per cent surtax and 4 per cent conservancy dues) works out at just over \$28 (about \$8.40 Canadian) per dozen bottles. Bulk gin is dutiable

at 80 per cent ad valorem, plus the 10 per cent and 4 per cent extra charges, and, allowing for the spread in prices for various qualities, it is estimated that the average saving in duty between bottled and bulk gin is about 40 per cent in favour of the latter.

Imports of bulk gin have only been shown separately in the Chinese Maritime Customs statistics during the last two years and are given as follows:—

	1934		1935	
	Litres	G.U.	Litres	G.U.
Total imports . . . . .	24,873	16,168	34,269	22,492
Canada . . . . .	8,040	4,922	7,516	4,062
Great Britain . . . . .	16,833	11,246	26,746	18,423

Statistics showing the imports of bulk gin into Shanghai only are not available.

According to one of the more important distributors in Shanghai, the habitual gin drinker is not likely to switch to locally bottled gin at the expense of the home bottled product. On the other hand, as imported bulk gin can be had retail at from \$2.50 to \$3 Shanghai currency per reputed quart bottle, and the imported bottled brands cost from \$4 up to \$6 per bottle, there is a growing tendency to use the cheaper gin in homes, particularly for cocktail purposes.

In addition to imported bulk gins, which are broken down and bottled in Shanghai, a certain amount of inferior quality gin is manufactured locally and sells at anywhere from \$1.25 to \$2 per bottle.

### BEER

Below are shown the total imports of ale and beer in bottles into China from principal sources of supply during the past three years:—

	1933		1934		1935	
	Litres	G.U.	Litres	G.U.	Litres	G.U.
Total imports . . . . .	2,517,966	384,614	2,629,257	345,479	2,444,834	330,670
Japan . . . . .	2,355,462	333,775	2,535,953	318,832	2,313,175	294,920
Great Britain . . . . .	64,593	18,341	44,737	12,174	47,086	12,456
Germany . . . . .	42,588	14,166	10,494	3,818	18,509	4,965
Canada . . . . .	26,199	9,622	16,279	4,996	26,486	8,442
Total imports into Shanghai only	1,443,024	222,441	1,648,243	217,480	1,410,880	190,488

Apart from Japanese beer, which sells mainly to the Japanese residents and to other foreigners, the sale of imported beers and ales in China in recent years has been very restricted owing to competition from domestic breweries protected by an 80 per cent ad valorem duty, to which must be added the usual surcharges of 10 per cent and 4 per cent of the duty respectively.

The small volume credited to Canada in the above table consists of beer imported for the foreign military services on a duty-free basis. However, as far as the United States forces are concerned, this business has been reverting back to American breweries in a position to again take care of export orders.

Outside of this special duty-free trade, there is a very restricted demand for several well-known brands of English or European beers, which sell mainly in the more expensive hotels and, to a lesser extent, in certain clubs. This outlet, however, is almost negligible, as although the locally brewed beer does not compare in quality with imported brands, the much higher cost of foreign beers renders them non-competitive in this market, and what little business exists is expected to steadily decline from year to year.

In this connection one importing firm advises that the lowest price at which they can purchase European beer, c.i.f. Shanghai, is in the neighbourhood of \$20 (about \$6 Canadian) per case of 72 pints. To this must, of course, be added the duty plus clearance charges, which altogether work out to almost 100 per cent of the actual value of the beer, whereas the locally brewed product is sold to the trade in Shanghai at anywhere from \$16.50 to \$17.50 per case of 72 pints. Japanese breweries have been able to sell in this market by reason

of their lower production and freight charges, but as far as any other foreign beers are concerned, it will be apparent from the foregoing that they cannot compete against the local industry.

#### DOMESTIC BREWING INDUSTRY

There are at present some eight breweries in China. Three of these are located in Shanghai, one having just recently been completed and gone into production. The other breweries in China are distributed as follows—one at Canton in the south and one in Peiping, Tientsin, Chefoo, and Tsingtao respectively in the north. With the exception of the Canton brewery, all the others sell in the Shanghai market. Because the water available to the Shanghai breweries is said to be inferior, the beer supplied by the northern breweries is claimed to be of better quality, although selling at the same prices.

#### CANNED BEER

It is of passing interest to record that some of the beer supplied to the American forces here by United States breweries has been shipped in cans. As far as general consumption is concerned, however, in spite of the lower price at which it is understood canned beer can be offered by comparison with the bottled product, it is again obvious that the high duty rules out any possibility for its sale in the Chinese market.

#### DISTRIBUTION

There are two recognized import houses in Shanghai solely engaged in the distribution of alcoholic beverages, in addition to which there are probably a dozen general import firms maintaining special departments for handling wines and spirits, etc.

The bulk of the business is done on a documents against payment basis, the importers purchasing for their own account and selling from local stock direct to hotels, clubs, and the retail trade. Broadly speaking therefore, there are no intermediary wholesalers, although some clubs and hotels obtain their requirements through retail establishments.

### OUTLOOK FOR BRITISH SHIPPING

FREDERICK HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, November 12, 1936.—In the report of Lloyd's Register of Shipping for the year ended June 30, 1936, it is stated that the slight improvement discernible a year ago in the outlook for the United Kingdom shipping and ship-building industries has been fully maintained.

Several factors have recently contributed to ameliorate the position for ship-owners. The rise in commodity prices has led to some increase in world trade, and this has had the effect of stimulating the freight markets. The betterment in the situation has also been very greatly assisted by the firm and judicious action of the Tramp Shipping Administrative Committee in their handling of minimum freight schemes, which system of freight co-operation has kept tramp rates steady and has reacted favourably on the liner rates.

The report points out, however, that until the increase in trading has resulted in greater individual prosperity, many of the passenger and cargo lines are unlikely to benefit by an improvement in traffic, and in the meantime are adversely affected by higher running costs, due to the general rise in wages and values.

The large number of orders for new vessels which have been placed during the year under review reflects a more confident feeling in the shipping industry,

and a considerable increase has occurred in the number and tonnage of new vessels built and in preparation. The output of shipbuilding during the past year is greater than it has been for four years, and there is evidence that this activity in the shipyards will be maintained for some time to come.

The amount of laid-up tonnage, which three years ago reached the enormous figure of 12,000,000 tons, has now been reduced to 4,250,000 tons. The reduction has been brought about to a large extent by the breaking up of surplus ships, but it is satisfactory to note that, while the total of world tonnage increased by only 177,000 tons in the past year, the tonnage in commission rose from 59,000,000 tons to 61,000,000 tons.

#### NEW SHIPS COMPLETED

During the twelve months ended June 30, 1936, the Society's classification was assigned to 296 new vessels of 1,009,207 tons gross. These figures represent approximately 66 per cent of the world tonnage completed during the period and show a large increase over those of the past few years. Of this amount, 584,876 tons were constructed in the United Kingdom and 424,331 tons in countries abroad. The following table summarizes the volume and tonnage actually completed and classed in recent years. The figures for 1913-14, which constitute a pre-war record, are included for purposes of reference:—

Year	Steam and Motor Tons	Sail and Non-propelling Tons	Total Tons
1913-14 .. . . . . .	2,014,397	5,788	2,020,185
1929-30 .. . . . . .	1,804,246	3,570	1,807,816
1930-31 .. . . . . .	1,734,089	24,521	1,758,610
1931-32 .. . . . . .	915,264	5,638	920,902
1932-33 .. . . . . .	447,150	2,601	449,751
1933-34 .. . . . . .	348,197	2,233	350,430
1934-35 .. . . . . .	752,200	3,114	755,314
1935-36 .. . . . . .	1,001,806	7,401	1,009,207

#### VESSELS UNDER CONSTRUCTION

Lloyd's Register compute that at the end of June last there were 305 vessels of 1,342,970 tons gross under construction throughout the world, with a view to the Society's classification being assigned. Of this total, 760,610 tons were being built in Great Britain and Ireland and 582,360 tons abroad.

#### TOTAL OF WORLD FLEETS

The total tonnage of merchant vessels afloat at the end of June, 1936, holding the classification of Lloyd's Register, was 30,201,095 tons gross. Its character and disposition is shown in the following table:—

Material of Construction	Descrip- tion	Great Britain and Ireland		British Dominions		Other Countries		Total	
		No.	Gross Tonnage	No.	Gross Tonnage	No.	Gross Tonnage	No.	Gross Tonnage
Steel and iron	Steam and motor	4,179	13,015,604	530	1,376,107	3,755	15,703,133	8,464	30,094,844
Wood and composite	Sail	150	43,428	6	4,407	69	56,476	225	104,311
	Steam, motor and sail	5	561	2	445	2	934	9	1,940
Total .. . . . . .		4,334	13,059,593	538	1,380,959	3,826	15,760,543	8,698	30,201,095

N.B.—Sailing vessels fitted with auxiliary power are included in the figures shown for steamers and motorships.

#### VESSELS BROKEN UP, ETC.

The partial restoration of normal conditions in shipping has been in a measure due to the heavy demolition activities which have taken place during the past few years. In the year ended June 30, 1936, 525 vessels of 1,255,830 tons were

broken up, and since then the destruction of an additional 68 vessels of 128,766 tons has been commenced. A further 71 vessels of 194,425 tons are reported as having been sold for breaking up, although actual work thereon has not yet been started.

Thus since June, 1935, over 1,579,000 tons of shipping have been broken up or sold with that intent. Adding to this 337,000 tons lost as the result of casualty or stress of weather, the total reduction of world tonnage through these causes during the period is shown to be more than 1,900,000 tons.

In the view of Lloyd's Register, the general situation suggests that, although a considerable increase in international trade is still necessary for a complete revival of the shipping and shipbuilding industry, the outlook at the present time is more encouraging. In consequence, the majority of those engaged in these vital trades are able to look forward with greater confidence to a return of more prosperous and stable conditions.

## **AUSTRALIAN WHEAT AND FLOUR**

M. T. STEWART, ACTING TRADE COMMISSIONER

Melbourne, October 21, 1936.—Shipments of wheat and flour from Australia for the period from December 1 to the week ending October 14 totalled 85,840,507 bushels as compared with 91,057,651 bushels for the corresponding period of the previous year and 81,725,865 two years ago. During the past month the markets had a very sharp advance due to the adverse weather conditions ruling in Australia, which has materially affected the prospects for the new season. The weather has been very dry and considerable damage has already been done, but during the past few days beneficial rain has fallen in Victoria, South Australia, and New South Wales, and the situation is now more hopeful for many growers.

An unofficial trade announcement has placed the probable output at 140 million bushels, which is a considerable reduction on the preliminary official estimate of 150 million bushels for the new crop. The traders' estimate of 160 million bushels was rather more optimistic than the official figures.

The estimate of the area under wheat for grain in Australia for the season 1936-37 has been increased from 12,406,000 acres to 12,530,000 acres, chiefly because of larger estimates in Western and South Australia.

The price of wheat for the new crop had reached about 5s. 3d. a bushel f.o.b. steamer, equivalent to \$1.02 Canadian, and about 4s. 8d. per bushel at country sidings, equivalent to 91 cents Canadian, but the week-end rains have caused a fall amounting to about 1½d. per bushel on both quotations.

Practically all the old wheat remaining in Australia has been committed for shipment, and the new crop year at December 1 will be entered into with no appreciable carryover.

### **FLOUR**

The export flour market has been very inactive and the present high price of wheat has made oversea offers unattractive to millers. Greater activity in the export market is anticipated, however, and quotations are nominally £10 12s. 6d. per ton of 2,000 pounds in 150-pound sacks, equivalent to \$41.30, and £10 17s. 6d. in 49-pound calico bags, equivalent to \$42.27 Canadian. The local price of flour is £12 10s. per ton of 2,000 pounds.

## CHARTERING

Oversea freights are firm and full cargo rates to England were increased by 1s. 3d. per ton on September 18 last, making the minimum rates as follows:—

	Bags	Bulk
Western Australia . . . . .	29s. 6d.	27s. 0d.
South Australia/Victoria . . . . .	30s. 6d.	28s. 0d.
New South Wales . . . . .	30s. 6d.	27s. 6d.

A further increase is expected, and owners are asking a premium over the minimum schedule rates for both old and new crop tonnage. Chartering for the new crop has not been heavy and is chiefly confined to early shipments. The recent rains should stimulate interest in new crop chartering as reasonable crop prospects have been greatly enhanced and a very difficult position has been relieved.

## INDIAN STORES DEPARTMENT REPORT

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, October 16, 1936.—The annual administration report of the Indian Stores Department for the fiscal year ending March 31, 1936, shows that the total value of purchases made by it during the year was the highest in any year since the Department was formed in 1922 and represents an increase of 17·35 per cent over the previous year when orders were placed to the value of Rs.55,904,866 as compared with Rs.47,636,251 in 1934-35.

The chief activities of the department are centred in the purchase and inspection of the various articles required by the different departments of government both Central and Provincial, and to give encouragement in such purchases to Indian industries.

The value of indents placed overseas and examined by the department showed a substantial fall. The total amounted to Rs.7,742,267 (1,416 indents), which were placed on behalf of the various Provincial Governments and Central Government departments in London and other centres abroad as against Rs.9,332,272 (1,257 indents) in the previous fiscal year.

Purchases were also made on behalf of the Army, Navy, Royal Air Force, and other military authorities to the value of Rs.10,366,765 against the previous year's total of Rs.8,606,705, an increase of 20 per cent, but the value of textile stores in this connection decreased by Rs.401,449. On the other hand, the value of engineering stores rose by Rs.2,161,509. In addition to these purchases, many items were bought and inspected by the department on behalf of the State Railway Administrations amounting in value to Rs.27,810,824, an increase of Rs.2,460,232. Purchases on behalf of Provincial Governments showed an increase of Rs.1,133,708—Rs.6,351,490 as against Rs.5,217,782 in 1934-35.

Through the efforts of the Indian Stores Department, standardization of stores required shows steady progress and every endeavour is being made, whenever practicable, by more than one authority, to reduce the variety of types and patterns of the same articles in common use. A few of the articles on which standardization work has been carried out are: imitation leather cloth, paraffin wax, sodium cyanide, blankets, cables, glue, glass paper, emery cloth, metal buttons, coir ropes, and carpets. It is always possible to obtain these standardized specifications through either the Indian Stores Department, New Delhi, or from their London office located at Belvedere Road, Lambeth, S.E. 1.

Canadian manufacturers interested in supplying to the public services in this country are invited to communicate with the Department of Trade and Commerce, Ottawa, which has on file full rules and regulations covering purchases by the organization and also lists above referred to.

## ECONOMIC CONDITIONS IN DENMARK

J. A. MacDONALD, ASSISTANT TRADE COMMISSIONER

### GENERAL

Oslo, November 10, 1936.—The marked improvement which characterized commercial and economic conditions in Denmark during 1934 prevailed also throughout 1935 and the first three quarters of the present year. In common with the other Scandinavian countries, the general trade revival in Denmark went far in 1935, though the process of readjustment was somewhat slower than in the neighbouring states.

The economic structure of Denmark, a debtor country with 75 per cent of its export trade concentrated on a few high-quality agricultural products, makes prosperity from year to year depend on conditions in her two principal markets, the United Kingdom and Germany. Last year these markets absorbed respectively about 60 per cent and 15 per cent of total Danish exports, which were comprised chiefly of bacon, butter, eggs, live pigs, beef, cattle, and horses. Smaller quantities of bacon, pork, and butter were shipped than in the previous year, but prices were considerably higher, while costs of feeding stuffs were lower on the average.

Statistics published by the Danish Agricultural Economics Bureau, based on the balance sheets of a number of good Danish firms, indicate that economic returns on farming for 1935 were better than in the previous year. Preliminary figures for 1936 indicate that this improvement is being maintained. Average gross returns from crops, cattle, pigs, and other live stock show improvement, and the average family earnings for both large and small farms have increased slightly during the past two years.

### INDUSTRY

Taken as a whole, the Danish industries have enjoyed another year and three-quarters of comparative prosperity. The textile trade has been rather less to the fore than in 1934, and there has been a slight falling off in activity in the brick, stone, and glass trades. As against this, however, the food, clothing, and leather industries and the iron and metal industries have shown marked improvement. Danish shipping has also enjoyed better conditions during this period. The total industrial production index for December, 1934, was 116. By June, 1935, it had risen to 120, and to 124 by the end of the year. By September, 1936, the industrial production index had risen to 133, which is the highest figure for any month since the index was started in 1931.

The average wholesale price index for imported, exported, and domestic goods was 122 in 1935 as compared with 119 in 1934. During the first three quarters of the present year the wholesale price index developed as follows: January, 126; April, 126; July, 127; October, 130. Increases in wholesale prices during this period were recorded for each of the three classes of goods mentioned above, but the increase was most pronounced in the case of exported goods.

It should be noted that the Statistical Bureau has changed the basis of calculating the index in such a way that 1931 is now taken as 100, instead of 1913 as in previous years.

### EMPLOYMENT

The employment situation in Denmark has been improving slowly but steadily during the past three years. Industrial relations were very bad in 1932, and a general lockout was only avoided by government intervention. Strikes and lockouts were declared illegal in the following year, and this government action, combined with the operation of the Exchange Control Laws, relieved the situation to a great extent.

The following table gives the recent developments in the employment situation:—

Year	Percentage of Unemployed	Total Organized Workers	Number of Employed
1932.....	31.7	313,867	214,371
1933.....	28.8	338,161	240,771
1934.....	22.0	370,000	290,000
1935.....	19.7	386,000	309,805

At the end of September, 1936, there were 417,118 organized workers on the register, of which 363,462 were employed. The percentage of unemployment was therefore 12.9, but the percentage for the whole year will be considerably greater, since employment normally falls off during the winter months. The situation is regarded as relatively satisfactory, however.

#### BALANCE OF PAYMENTS

A statement issued by the Danish Statistical Department shows that current income and expenditure yielded a surplus of about kr. 70 million in 1935, as against a deficit of about kr. 38 million in 1934. The income in 1935 was kr. 1,649 million, compared with kr. 1,594 million in 1934.

The reason for the larger income in 1935 was partly due to the larger export, amounting to kr. 1,267 million (in 1934 kr. 1,235 million), and partly to the larger freight returns from shipping in foreign waters. These freight returns were kr. 201 million in 1935, as against kr. 191 million in 1934. The two items together thus showed an increase on income of kr. 42 million, and adding to this the sum of kr. 31 million arising from the export of gold, an increase of kr. 73 million is obtained. This income was further swelled by business activities abroad, kr. 12 million; from foreign ships, kr. 3 million; and from tourists, kr. 5 million.

There was a decrease in expenditure of kr. 25 million in respect of imports, which were valued at kr. 1,329 million in 1935, as against kr. 1,354 million in 1934. Other items of expenditure, however, showed increases, so that the total net decrease in expenditure amounted to kr. 16 million.

#### SHIPPING

According to the trade returns of the Statistical Department, the gross foreign earnings of the steamers and motor-ships of the Danish mercantile marine in 1935 may be estimated at about 200 million kroner, as compared with 192 million kroner in 1934. To this must be added about 2 million kroner earned by sailing vessels and sailers with auxiliary motors. The earnings on trading in Danish waters, judged from the quantities of cargo carried, were also higher than in the previous year.

The Danish merchant fleet as a whole had a net increase of about 1,000 gross registered tonnage in 1935, the new tonnage coming to about 42,000 gross registered tons and the displacements to about 41,000 gross registered tons, but the replacement of old, obsolete tonnage by new and up-to-date ships must obviously mean a much greater increase in the real cargo capacity of the fleet.

Owing to the low level of freights and to other contributory causes, the outlook for Danish shipping at the beginning of 1935 was anything but bright. The tonnage laid up rose steadily until May, when the minimum rates gradually put into operation on the more important trade routes, such as the Plate, Australia; and Canada, made their influence felt on the freight market. Also the conflict between Italy and Abyssinia at first stimulated Danish as well as other shipping, though the demand for increased tonnage fell off with the application of "sanctions" against Italy.

The freight index (100 in 1925) of the Danish Statistical Department averaged 101.1 for the whole year, or 0.2 point higher than the average for

1934, and the laid-up tonnage, which at the end of November, 1934, was about 28,000 gross registered tons, aggregated about 70,000 gross registered tons when at its highest in 1935, and practically ceased to exist by August.

### FOREIGN TRADE

For the entire year of 1935, imports amounted to kr. 1,329 million, or kr. 25 million less than in 1934; on the other hand, exports were increased by kr. 31 million to kr. 1,266 million, and accordingly the result was an excess of imports of kr. 63 million as against kr. 119 million in 1934. This was a very appreciable improvement.

The reduction in imports was distributed over a long list of commodities, and was particularly in evidence for finished articles, while cattle food, machinery, and some industrial raw materials and auxiliaries showed higher figures. About one-half of the improvement in exports, or about kr. 16 million, fell to the share of animal agriculture products, especially butter, live animals, and eggs, while bacon fetched much less in spite of increased price. Further, the products of the oil industry fetched over kr. 18 million more, and finally the shipyards increased their production for foreign account sufficiently to raise the export figure by about kr. 10 million. Of reductions may be mentioned grain, which was down by kr. 5 million.

The customs revenue of the state amounted to kr. 105.3 million in 1935 as against kr. 103.9 million in 1934.

### INDUSTRIAL EXPORTS

Total industrial exports for 1935 were valued at kr. 283 million as against kr. 252 million in 1934 and kr. 213 million in 1933. Industrial exports have therefore reached about 23 per cent of the total exports of Denmark. The following table shows the value of industrial exports in the principal groups for the last two years:—

	1934	1935
	Million Kroner	
Canned goods.. . . .	25.5	21.0
Beverages.. . . .	3.4	4.1
Oil-extraction products.. . . .	54.8	73.4
Of which: Feeding stuffs.. . . .	18.0	20.0
Animal oils.. . . .	9.7	17.2
Chemical-technical articles.. . . .	12.7	13.4
Cement, cryolite, etc.. . . . .	17.8	17.4
Sundry iron and metal manufactures.. . . .	22.8	24.6
Machinery and vehicles.. . . .	51.9	54.6
Ships.. . . .	23.1	32.9

It will be seen that, in addition to the notable increases in the export of ships and products of the oil-extracting industry, there were other important increases reflecting the expanding condition of Danish industry. In the machinery group there were increased sales of motors, refrigerating plants, dairy, metal-working machinery, and cement machinery. There were also increases in foreign sales of beverages, particularly beer, dairy preparations, milk cans, ropes and cordage, but the export of canned goods declined.

### IMPORTS BY GROUPS

The movement of principal imports is shown below, by special groups, for recent years in million kroner, with percentages in parentheses:—

	1932	1933	1934	1935
	M. Kr. (%)	M. Kr. (%)	M. Kr. (%)	M. Kr. (%)
(1) Raw materials for agriculture.. . . .	205 (18.6)	174 (14.2)	152 (11.8)	151 (11.8)
(2) Nourishment and food.. . . .	182 (16.4)	179 (14.6)	164 (12.8)	170 (13.3)
(3) Raw materials for industry.. . . .	140 (12.7)	176 (14.4)	200 (15.6)	217 (16.9)
(4) Semi-manufactured goods.. . . .	198 (17.9)	269 (21.9)	309 (24.0)	286 (22.3)
(5) Manufactured goods.. . . .	249 (22.6)	284 (23.2)	308 (23.9)	299 (23.3)
(6) Fuel and light materials.. . . .	130 (11.8)	143 (11.7)	153 (11.9)	159 (12.4)

The above table shows increased independence of foreign foodstuffs and agricultural materials and semi-manufactured goods arising out of the expansion of industry under quota protection. The demand for manufactured goods also shows a long-term upward trend.

There is set out below the preliminary figures for imports by principal groups for the year 1935 in thousands of kroner, with 1934 figures also shown:—

	1934 1,000 Kr.	1935 1,000 Kr.
Live animals (with the exception of fish, etc.) . . . . .	2,557	2,708
Pork and bacon, meat and other slaughter-house products . . .	5,115	4,698
Butter, cream, milk and cheese . . . . .	627	770
Eggs . . . . .	339	173
Fish, shellfish, etc. (excluding preserves) . . . . .	7,363	9,729
Fat, preserves and other foodstuffs . . . . .	1,977	1,559
Unmilled grain and leguminous seeds . . . . .	91,844	89,038
Malt, maize flakes and similar articles . . . . .	524	333
Milled grain . . . . .	5,191	3,667
Other manufactures of grain . . . . .	774	1,119
Seeds for sowing . . . . .	10,295	4,811
Feeding stuffs . . . . .	66,062	79,190
Garden products, etc., and fruits . . . . .	24,563	20,488
Colonial goods and similar articles . . . . .	66,126	64,551
Beverages . . . . .	8,427	9,637
Spun goods . . . . .	30,519	26,058
Yarn, rope, etc. . . . .	36,929	36,937
Drapery of silk . . . . .	19,092	17,640
Drapery of wool, etc. . . . .	45,856	39,989
Drapery of vegetable material . . . . .	63,664	57,201
Articles of clothing, etc. (including footwear) . . . . .	23,320	20,977
Skins, hides, hair, feathers, bone . . . . .	36,121	30,818
Manufactures of hair, skins, bone, etc. . . . .	3,288	2,822
Tallow, oil, rubber, resin, tar and similar products . . . . .	86,320	87,828
Manufactures of rubber, tallow, oil and similar products . . . .	12,164	11,393
Wood, unmanufactured or partly manufactured . . . . .	48,885	40,378
Wood, manufactured . . . . .	24,311	22,354
Vegetable substances of various kinds . . . . .	73,124	93,579
Paper and manufactures thereof . . . . .	27,901	29,889
Other manufactures of vegetable substances . . . . .	1,500	1,542
Chemical and technical articles, etc. . . . .	37,093	37,555
Fertilizers . . . . .	46,856	43,528
Mineral fuel . . . . .	109,793	119,286
Other raw or semi-manufactured minerals . . . . .	16,550	17,721
Manufactures of clay, stone and glass . . . . .	24,668	21,794
Raw iron, etc., and semi-manufactured iron goods . . . . .	90,500	85,506
More completely manufactured iron goods . . . . .	33,521	30,891
Other metals, raw or semi-manufactured . . . . .	25,950	31,197
Other metals, more completely manufactured . . . . .	15,694	14,691
Ships . . . . .	2,880	1,640
Vehicles, etc., machines, instruments, clocks and watches . . . .	100,143	89,807
Other goods . . . . .	24,711	23,802
Total . . . . .	1,353,137	1,265,795

#### IMPORTS OF INTEREST TO CANADA

The following import items of possible interest to Canadian exporters have been selected from the detailed classification, and are shown for the years 1934 and 1935:—

	1934 Metric Tons	1935 Metric Tons
Wheat flour . . . . .	21,941	15,693
Wheat . . . . .	360,741	365,062
Barley . . . . .	53,356	25,354
Oats . . . . .	24,903	25,817
Rye . . . . .	182,737	187,408
Oatmeal and rolled oats . . . . .	3,343	241
Bran . . . . .	20,476	18,527
Apples, fresh . . . . .	4,891	1,327
Canned lobster . . . . .	165	26
Salted salmon . . . . .	346	435
Casings, salted and dried . . . . .	1,108	1,230
Meats . . . . .	179	429
Red clover seeds . . . . .	2,130	1,184
Other clover and leguminous seeds . . . . .	1,409	948

*Imports of Interest to Canada—Concluded*

	1934 Metric Tons	1935 Metric Tons
Animal oils.. . . .	2,078	1,772
Tea.. . . .	518	627
Tobacco, unmanufactured.. . . .	8,148	7,703
Whisky in bottles.. . . . hectolitres	431	430
Whisky in casks.. . . .	2,915	3,293
Silk and artificial silk piece-goods and mixtures.. . .	766	724
Printed piece-goods, vegetable fibre.. . . .	1,158	1,064
Piece-goods of vegetable fibre, multi-coloured, pattern woven.. . . .	1,230	1,003
Piece-goods of vegetable fibre, plain coloured, not pattern woven.. . . .	1,469	1,244
Cotton duck.. . . .	537	508
Linoleum.. . . .	3,251	3,007
Skins of wild animals.. . . .	2,551	3,240
Cattle hides, salted or fresh.. . . .	2,873	2,418
Leather and skins, dyed.. . . .	550	602
Sole leather.. . . .	268	113
Undyed skins.. . . .	204	213
Light mineral lubricating oils.. . . .	40,921	36,577
Tire casings.. . . .	2,179	2,294
Tire casings for cycles.. . . .	393	244
Miscellaneous manufactures of rubber.. . . .	1,010	743
Soda, ordinary calcined.. . . .	16,660	17,960
Raw phosphate.. . . .	205,891	199,205
Superphosphate.. . . .	30,821	22,037
Lime nitrogen fertilizers.. . . .	2,099	2,191
Synthetic fertilizers.. . . .	37,367	38,697
Drawn pipes and fittings.. . . .	31,204	22,056
Screws, bolts, etc.. . . .	3,417	3,410
Razor blades.. . . .	11	7
Copper rods, plates, tubes, wire, etc.. . . .	5,523	4,876
Zinc plates.. . . .	4,088	4,111
Electric cables.. . . .	64	59
Passenger automobiles.. . . . units	1,505	1,780
Automobile parts.. . . .	2,275	2,886
Mowing and reaping machines.. . . .	1,450	2,353
Other field machinery.. . . .	35	56
Threshing machinery.. . . .	37	45
Other agricultural machinery.. . . .	26	50
Elements, batteries, accumulators.. . . .	327	158
Ploughs and plough parts.. . . .	103	74
Farm and garden tools.. . . .	362	300

**EXPORTS OF AGRICULTURAL PRODUCTS**

Among exports, those of agricultural products are of chief interest to Canada, and the detailed figures, showing weights and values, are set out below:—

	1934		1935	
	Metric Tons	Mill. Kr.	Metric Tons	Mill. Kr.
Bacon.. . . .	217,903	407.9	196,940	377.0
Fresh pork .. . . .	3,538	2.2	2,133	3.0
Other pork, not fresh .. . . .	504	0.6	577	0.8
Heads and feet of hogs .. . . .	2,478	0.6	2,294	0.6
Beef and veal, fresh .. . . .	12,384	7.2	8,534	6.0
Beef and veal, not fresh.. . . .	40	.....	52	.....
Liver, hearts, kidneys and tongues.. . . .	7,552	10.8	6,626	10.9
Casings .. . . .	10,609	11.2	10,280	13.5
Stomachs .. . . .	1,619	0.6	1,605	0.6
Slaughtered poultry .. . . .	2,202	3.4	2,379	4.4
Slaughter offal .. . . .	472	0.3	309	0.3
Butter in boxes, barrels or cases .. . . .	148,293	251.2	137,432	276.9
Butter in hermetically sealed containers.. . . .	364	0.8	420	1.0
Cheese .. . . .	6,321	7.5	6,637	9.2
Lard .. . . .	10,713	9.7	12,222	16.7
Hides and skins.. . . .	15,673	16.4	13,486	15.4
Eggs, fresh and preserved, 100 score .. . . .	557,547	81.9	584,534	88.2
Cattle and calves.. . . . head	70,527	13.0	96,762	21.4
Hogs .. . . . head	57,045	3.7	115,950	5.4
Horses and foals .. . . . head	8,440	5.8	5,112	5.5
Total .. . . .	.....	834.8	.....	855.9

## EXTERNAL TRADE OF THE LEVANT STATES UNDER FRENCH MANDATE IN 1935

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(One Syrian pound (£S) was at the end of December, 1935, equal to 20 French francs, or about \$1.33)

Cairo, October 21, 1936.—Total imports into the Levant States under French mandate (Syria, the Lebanon, Lattakia, the Jebel Druse, and the Sanjak of Alexandretta), composed of merchandise for home consumption and transit entries, amounted to £S34,553,291 in 1935 as compared with £S36,832,465 in 1934, a decrease of £S2,279,174; imports for home consumption totalled £S29,788,517 against £S29,817,900, a decline of £S29,383; and entries in transit (not including the oil passing through the Iraq Petroleum Company's pipe line to Tripoli) were valued at £S9,595,774 in comparison to £S7,014,565, an increase of £S2,581,209. On the other hand, total exports, comprising exports of products of the soil and native industries (Commerce Spécial), re-exports, and transit exits, amounted to £S16,953,820 in 1935 against £S15,564,417 in 1934, a rise of £S1,389,403; exports (Commerce Spécial) totalled £S11,734,977 against £S8,194,839, an increase of £S3,540,138; re-exports amounted to £S454,069 compared with £S355,013, an advance of £S99,056; and transit exits (not including oil passing through to Tripoli) were assessed at £S4,764,774 against £S7,015,565, a decline of £S2,250,791. The balance of trade—that is to say, the difference between exports (Commerce Spécial) and imports for home consumption—represented a deficit of £S18,053,540 in 1935 as compared with £S21,623,061 in 1934, a reduction of £S3,569,521.

### IMPORTS FOR HOME CONSUMPTION

#### IMPORTS BY COUNTRIES

As in previous years, France occupied in 1935 first place as a source of supply of imports for home consumption, followed by Great Britain, Japan, the United States, Germany, Turkey, etc. Imports were distributed as follows, the figures representing Syrian pounds, valued at about \$1.33, those for 1934 being within parentheses: France, 4,278,000 (4,824,000); Great Britain, 3,191,000 (3,313,000); Japan, 2,913,000 (3,373,000); United States, 2,065,000 (1,785,000); Germany, 1,923,000 (1,820,000); Turkey, 1,757,000 (2,409,000); Belgium, 1,615,000 (1,357,000); Roumania, 1,560,000 (1,491,000); Iraq, 1,526,000 (861,000); Italy, 1,250,000 (1,736,000); Egypt, 962,000 (712,000); Austria, 322,000 (293,000); Cyprus, 40,000 (42,000); Greece, 211,000 (84,000); British India, 844,000 (780,000); Iran, 287,000 (263,000); Holland, 387,000 (480,000); Sweden, 198,000 (141,000); Switzerland, 188,000 (189,000); Czechoslovakia, 646,000 (511,000); Transjordan, 70,000 (43,000); Russia, 288,000 (187,000); Yugoslavia, 143,000 (148,000).

#### PRINCIPAL SOURCES OF SUPPLY

Great Britain displaced Japan from the second place; the United States passed from sixth to fourth place, Japan dropped from second to third place; Italy lost quite considerable ground; Germany kept fifth place in both years, and Turkey fell from fourth to sixth place. The articles responsible for increased imports from the United States were motor cars, refrigerators, heavy mineral oils, chemical products, and tanned leather, particularly box-calf. The curtailment of imports from Japan was due to uncertainty as regards the tariff treatment to be applied to goods from that country in view of its resignation from the League of Nations, which became effective on March 27, 1935. However, by virtue of monthly decrees the normal tariff continued to be applied to Japanese goods, but fearing that the maximum tariff might eventually be imposed on merchandise from Japan, importers abstained from placing large orders. The normal tariff

is still being applied to German goods, despite Germany's resignation from the League having come into effect on October 21, 1935.

#### PRINCIPAL ITEMS OF IMPORT

The principal items of import into the Levant Mandated States in 1935 and 1934 included the following, the figures representing Syrian pounds, those for the latter year being within parentheses:—

Cotton yarns and piece-goods, 3,867,231 (4,461,887); live animals, 2,595,231 (2,324,614); iron and steel, 2,474,662 (3,128,130); coal, coke, and mineral oils, 1,782,683 (1,514,306); wool and woollen manufactures, except apparel, 1,569,256 (1,482,940); motor cars, motor cycles and bicycles, 1,318,793 (876,400); silk and artificial silk, 1,152,693 (1,249,906); machinery, machines, and parts thereof, 865,415 (524,302); sugar, sweets, and syrups, 770,716 (726,104); cereals, 742,667 (962,076); wood and articles of wood, 715,669 (879,543); chemical and pharmaceutical products, 663,500 (597,581); hides, skins, and leather, 638,387 (547,133); electric machinery and apparatus, 580,549 (334,031); and rubber and rubber goods, 485,199 (394,511).

Cotton goods are mainly in the hands of the United Kingdom and Japan (the latter's share being substantially more considerable than that of the former); the United Kingdom headed the list of suppliers of coal, anthracite beans, and coke, with Germany a good first in imports of briquettes; Great Britain was the chief source for woollen yarns and woollen goods; imports of iron and steel and manufactures thereof were contributed mainly by France, Great Britain, Belgium, and Germany; more than half of the market in motor cars and lorries was supplied by the United States; silk and artificial silk came mostly from Italy, France, Great Britain, and Japan; machinery, machines, and parts thereof originated for the larger portion in Germany, Great Britain, France, and the United States; cereals, principally composed of rice, came from Egypt; France, Germany, and Great Britain were the chief suppliers of chemicals and pharmaceutical products; fresh and dried skins and hides were received mainly from British India, Iraq, and Palestine; in tanned leather the United States was quite prominent; and in rubber goods, chiefly tires and tubes, almost one-half of imports originated in the United States, the other countries sharing in this trade being France, Great Britain, Japan, Belgium, Italy, and Germany.

#### TRANSIT ENTRIES

Transit entries (not including oil passing through to Tripoli), which amounted to £54,764,774 in 1935 against £57,014,565 in 1934, came principally from Iraq, Great Britain, Turkey, United States, France, Japan, Germany, and Italy, in order of importance, and consisted of live animals, textiles, mineral oils, fruit, motor cars, motor cycles, electrical machinery and apparatus, cereals, vegetables, raw hides and skins, leather, and tobacco.

#### EXPORTS (COMMERCE SPÉCIAL)

##### COUNTRIES OF DESTINATION

Exports of the products of the soil and native industries of the Mandated States, totalling £11,734,977 in 1935 as compared with £8,194,839 in 1934, were shipped chiefly to the following countries, each country's share being given and figures for 1934 being within parentheses: Palestine, £5,342,917 (£3,106,539); France, £1,498,730 (£1,362,757); Great Britain, £847,449 (£385,390); Egypt, £757,917 (£384,953); the United States, £553,967 (£349,979); Italy, £451,146 (£362,699).

##### VALUE OF PRINCIPAL EXPORTS

Values of the principal exports from the Mandated States in 1935 and 1934, figures representing Syrian pounds, those for 1934 being within parentheses, were:—

Olive oil, 905,000 (109,000); cotton textiles, pure or mixed, 176,000 (64,000); silk and artificial silk textiles, 651,000 (585,000); raw cotton, 582,000 (221,000); wool, 421,000 (686,000);

eggs, 380,000 (509,000); barley, 262,000 (99,000); boots and shoes, 259,000 (146,000); lemons, 226,000 (174,000); wheat, 181,000 (366,000); beer, 186,000 (34,000); skins, prepared, 185,000 (82,000); casings, salted, 177,000 (148,000); fruit paste and preserves, 177,000 (73,000); sweets and candies, 156,000 (98,000); leaf tobacco, 151,000 (87,000); onions, 151,000 (158,000); lentils, 149,000 (54,000); raw silk, 123,000 (153,000); millet, 258,000 (244,000); soap, household, 107,000 (115,000); beans and broad beans, 106,000 (114,000); cocoons, 90,000 (18,000); oranges, 72,000 (36,000); and cement, 78,000 (28,000).

#### RE-EXPORTS

Re-exports, totalling £S454,069 in 1935 against £S355,013 in 1934, showed an increase of nearly 28 per cent; they were chiefly directed to Palestine, Iraq, Egypt, Transjordan, Iran, and Turkey, in order of importance. The neighbouring countries are the best customers of the Mandated States in the field of re-exports.

#### TRANSIT EXITS

Transit exits, not including oil from the Iraq oil fields passing through to Tripoli, are placed at £S4,764,774 and £S7,014,505 in 1935 and 1934 respectively, indicating a loss of about 32 per cent. It is reported that the decrease is to be attributed, among other causes, to the use by Iran of alternative routes for her trade and to greater facilities by the port of Haifa.

#### Trade with Canada

The Dominion Bureau of Statistics place Syria's imports from Canada at \$101,962 and \$33,712 and exports to the Dominion at \$4,093 and \$4,559 for the fiscal years ended March 31, 1936 and 1935, imports from Canada showing an increase of \$68,250 and exports to the Dominion a decline of \$466, while the balance of trade, favourable to Canada, passed from \$29,153 to \$97,869 during the 1935 fiscal year. Rubber tires and tubes, \$72,621 (\$6,536 in the 1934 fiscal year); upper leather, \$17,957 (\$20,490); porcelain insulators, 4,441 (nil); and fresh apples, \$1,300 (\$1,058) were the principal exports to the Levant States, and agricultural products the principal imports.

#### GENERAL SITUATION

In a report dated June, 1936, His Britannic Majesty's Consul General at Beirut offers the following comments with respect to the situation in the Levant States under French Mandate:—

In regard to the general economic situation, statistics for the year 1934 had already shown that there was a tendency—though a slow one—towards a better equilibrium in the import and export trade of the country, and figures for 1935 reveal that this tendency has continued. Whilst it is too early to talk of prosperity, yet in spite of the economic crisis which still continues to overshadow a large portion of the world's markets, the situation of the Lebanon-Syrian market is not unfavourable. This situation is shown by the regular tendency towards equilibrium of a market which in 1931 showed a deficit in the commercial balance of £S37,000,000. This result has been obtained by measures taken to give protection—when necessary—to agricultural products, by the careful organization of growing national industries, by the fostering of the transit trade, and by encouraging exports and re-exports to neighbouring countries, especially to those with which the terms of the Mandate allow special arrangements.

### FOREIGN TRADE OF IRAN IN 1934-35

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, October 27, 1936.—According to the review *Great Britain and the East*, there were no changes of outstanding significance in the trade of Iran for the year ended June 22, 1935. Taking the exchange at 80 rials to the pound sterling, the imports totalled £10,295,175, or slightly lower than the previous year, while the imports were nearly £1,000,000 up at £6,681,260. The oil exports, which are not included in the trade statistics, totalled for the year £17,459,700.

Iran's principal imports in 1934-35 were cotton textiles (an item which will be sensibly diminished as a result of the local industrial developments), and

engineering products such as locomotives, cars, and machinery. Apart from oil, the chief exports were woollen carpets and cotton.

The leading countries dealing with Iran, in the order of importance in the year, were Russia, the United Kingdom, the United States, British India, Germany, and Japan. The United Kingdom's exports to Iran included machinery and woollen textiles; the United States practically monopolized the supply of motor cars and lorries; and Japan's trade was in cotton textiles.

The exchange control, which was reimposed on March 1 of this year, after an interval of four years, is a great handicap to trade with Iran at the present time. Foreign exchange can only be purchased from the authorized banks after a permit has been obtained for each transaction.

#### CANADA'S TRADE WITH IRAN IN 1935-36

In the Condensed Preliminary Report of the Trade of Canada, 1935-36, issued by the Dominion Bureau of Statistics, imports from Iran into Canada are estimated at \$156,245 and \$129,119 for the fiscal years ended March 31, 1936 and 1935 respectively, while Canadian exports to Iran are valued at \$176,561 and \$68,498, an increase of \$27,126 in imports and \$108,063 in exports. The Dominion's trade with Iran, which presented an adverse balance of \$60,626 in 1934-35, showed an active one of \$20,316 in 1935-36.

Canada's imports from Iran in 1935-36 and 1934-35 included dates, \$750 (nil in 1934-35); undressed furs, \$22,565 (\$2,891); carpets, \$131,430 (\$124,657); and containers, n.o.p., \$1,500 (\$1,538).

Canadian exports to Iran included pneumatic tire casings, \$154,741 (\$59,465 in 1934-35); inner tubes, \$11,479 (\$3,769); other rubber manufactures, \$454 (\$607); ploughs and parts, \$8,761 (\$501); and other farm implements, \$1,041 (nil).

#### MARKET FOR LUMBER IN PANAMA

R. A. CAMERON, ASSISTANT TRADE COMMISSIONER

Panama City, October 29, 1936.—The increasing building activity throughout the Republic of Panama and the Canal Zone is an indication of the growing local demand for lumber. Records of the total building permits issued are not available, but permits issued by Panama City alone were valued at \$788,073 in 1935 compared with \$625,290 in 1934 and \$519,690 in 1933.

Up to the end of October, 1936, building permits issued by Panama City for the current year amounted to \$1,170,270 in value. As no permits are issued for Government works, the figures given record private building activity only. In addition, there has been a substantial amount of government construction, particularly during the past year.

It may be assumed that the building permits issued by the city of Colon, although not totalling as much as those of Panama City, would nevertheless reflect the same proportionate yearly increase. Building throughout the interior on a modest scale also continues to develop.

#### IMPORTS

All Panama's requirements for building lumber are imported. It follows that, with increasing building activity, imports of lumber have likewise shown a marked increase. The following table gives the value of Panama's imports of lumber and sources of supply from 1933 to 1935 inclusive as well as for the first seven months of 1936:—

	1933	1934	1935	Jan.-July, 1936
Canada . . . . .	\$42,851.32	\$ 43,878.61	\$ 68,126.51	\$ 23,267
United States . . . . .	42,544.32	112,288.16	106,833.44	143,109
Others . . . . .	237.05	.....	3,443.26	1,605
Totals . . . . .	\$85,632.69	\$156,166.77	\$178,403.71	\$167,981

From the above table it will be seen that imports doubled between 1933 and 1935, and that the year 1936 will probably record a still higher figure than in 1935. The benefits of this increased business have been enjoyed by United States exporters, although it is possible that a portion of their shipments originated in Canada.

#### DEMAND

It is estimated that 95 per cent of the imported lumber is Douglas fir or Oregon pine, although small quantities of yellow pine are also used. Attempts have been made to introduce long leaf yellow pine, but this wood was found to be too expensive for building purposes.

A large number of the buildings being erected in Panama are of concrete construction. Consequently there is a demand for rough lumber to be used as scaffolding, moulds, and casings. There is, of course, also a call for flooring, siding, and partition lumber. The roofs of buildings in Panama are all either tile or corrugated iron. Consequently, although there is no demand for shingles, there is nevertheless a demand for scantlings used in constructing the framework on which the roof rests. This is particularly true in the case of tile roofs.

The principal grade used for general construction is No. 1 Common and for flooring and finer work No. 3 Clear. Sizes range from 1 to 6 inches in thickness, 2 to 12 inches in width, and 10 to 30 feet in length.

#### PRICES AND DUTIES

Current prices of No. 1 Common are from \$27 to \$28 per 1,000 feet board measure c.i.f. Panama City, and for No. 3 Clear \$36 to \$38 per 1,000 feet c.i.f. Panama City. The duty levied on ordinary construction lumber is \$5 per 1,000 feet.

#### REGULARITY OF SHIPMENTS

Owing to the fact that the rainy season starts late in August or early in September and lasts until December, building operations during that season usually show a falling off, although they are by no means halted or even severely handicapped. In December or January there is a picking up, and from then until the following September building is at its peak. In spite of this seasonal activity, import shipments are maintained more or less regularly, showing little change in volume from month to month. This is probably due to the fact that local importers and builders keep a considerable stock of lumber on hand, and during the rainy season maintain their imports in order to replenish their depleted stocks against the anticipated increase in the demand beginning in December. At the moment it is estimated that there is in stock in Panama at least 2,500,000 feet board measure of construction lumber.

#### SOURCES OF SUPPLY

Practically all Panama's imports of lumber originate on the West Coast of the United States and Canada. Attempts have been made to import from Sweden and from the Southern United States, but due to the shipping costs, as well as to the quality of the lumber supplied, these sources have never been a factor in the trade.

#### SALES METHODS AND TERMS

Lumber is distributed in Panama through local agents as well as being imported direct by large firms of contractors and builders purchasing for their own account. The regular agent's commission is \$1 per 1,000 feet board measure. It is quite a common practice for agents to cut their commission in submitting quotations in order to obtain the business.

Terms of ninety days from acceptance of the draft are usually requested, the importer on the arrival of the shipment paying the freight and duty and

accepting a sight draft for ninety days for the value of the lumber. While these conditions appear to be customary, it remains of course for the exporter to arrange his own particular terms with his local correspondent.

### PLYWOOD

Very small quantities of plywood are imported for partitions, ceilings, and interior work. Import figures for 1936 are not available, but imports during 1935 totalled \$9,278 in value. Of these the United States supplied a total of \$8,135. A duty of 15 per cent ad valorem is levied on plywood, plus the usual 3 per cent consular fee.

### CREOSOTED LUMBER

Imports of creosoted lumber are confined to railway sleepers. During 1934 these were valued at \$6,392 in value, all supplied by the United States. None were recorded during 1935, but during the current year railway sleepers have been imported to the value of \$18,128 from the United States. These were for the use of the Panama Government railway line, approximately 142 kilometres in length and serving interior points. The requirements of the Panama Railway Company, which crosses the isthmus and is in the Canal Zone, are supplied by the United States, and of course are not recorded in the returns of the Panama Government. A duty of 15 per cent ad valorem is levied on creosoted lumber, but as practically all such imports are sleepers for the Government railway, this is of little importance.

### DOORS AND WINDOWS

Practically all mill work such as doors and windows is done locally, although there are small imports for special jobs. A certain amount of mill work lumber is imported for sash and door factories, but domestic mahogany is in general use.

### DOMESTIC PRODUCTION

A number of hardwoods are grown in Panama, such as mahogany, amarillo, Spanish cedar, Guayacam, and Maria. Maria is said to be most suitable for veneers, being similar to mahogany in many respects, but this wood is unknown and the difficulty of introducing it in the local market has prevented the development of its use.

Panama is particularly rich in mahogany. It is estimated unofficially that the standing mahogany unexplored would exceed 1,000,000,000 feet board measure. Most of it, however, is not accessible, and there is no attempt to take out wood except from the lower areas which can be logged profitably. Considerable sums of money have been lost in attempts to develop portions of the back areas. The best mahogany comes from the district of San Lorenzo in Veraguas, and Darien Province, where the texture of the wood grown on the higher slopes is considered superior to that grown on the lowlands. Production is confined to the Pacific side of the isthmus.

Mahogany is shipped in boards of 10 to 16 feet long by 12 to 24 inches wide by 1 to 4 inches thick. The price of mahogany f.o.b. Balboa, Canal Zone, is from 12 to 14 cents per foot board measure.

### LOCAL INDUSTRY

The domestic output of mahogany and Spanish cedar is consumed almost exclusively by the local furniture industry, probably not more than a tenth of the output being exported. There has been considerable activity in production recently, however, and extensive logging operations are being contemplated. It is said that foreign demand is such that the volume of exports will soon exceed that of local consumption.

While there is no large or mass production of furniture, there are nevertheless some twenty-five or thirty small factories where furniture of a very substantial and in many cases beautiful quality is made by hand. This industry supplies the bulk of the domestic demand and is substantially protected by tariff, the duty on wooden furniture being 30 per cent ad valorem, plus the usual 3 per cent consular fee. Imports of wooden furniture consequently are small, not exceeding \$10,000 per annum in value. There are, of course, some imports of bamboo, reed, straw, and rattan furniture, which enter free of duty.

### CONCLUSION

Fortunately the lumber which Panama imports is of a type which the West Coast of Canada can supply. Problems of grading, measurement, shipping services, and competitive prices must be solved, however, before much headway can be made. The best approach to the problem would seem to be for any Canadian mills interested in this market to form a connection with a reliable local agent, who in return for an exclusive representation could be expected to co-operate with them by providing trade information as to local conditions, market requirements, specifications, and competitive prices. The office of the Canadian Trade Commissioner, Box 222, Panama, R.P., will be pleased to supply names of agents and importers to interested Canadian shippers on request.

### OFFICIAL ESTIMATE OF THE ARGENTINE CORN CROP, 1935-36

Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, advises that the Argentine Ministry of Agriculture place their final estimate of the 1935-36 corn crop at 391,806,380 bushels, which is 13.2 per cent below the previous crop but 15.7 per cent above the last five-year average, from 18,853,730 acres seeded and 12,688,814 acres harvested. The first and second estimates were 379,045,000 bushels and 381,090,921 bushels respectively. The difference of 6,164,915 acres shown between the acreage seeded and that harvested is attributed to losses due to weather conditions and use as a forage crop.

### TEA TRADE OF JAPAN

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

(One yen was equal to 29½ cents in 1934, and in 1935 to 29 cents Canadian funds)

Tokyo, October 10, 1936.—In the "sixties" of the last century tea was the most important export product of Japan. Foreign merchants prepared and exported tea and the trade, due to the inexperience of the Japanese in foreign commerce, was almost entirely in their hands.

Previous to the reopening of Japan to foreign trade and intercourse, green tea only was produced after the Chinese method long in use. As a result of a demand for black tea, which led to experiment and research, the Chinese method was eventually replaced by the Indian method and it is only within recent years that the production of black tea has been successful in Japan. Even so, the large proportion of tea produced in Japan is still green tea, which constitutes the principal beverage of the country. Most of the black tea is not produced in Japan proper but in Formosa (Taiwan). The country's share of world production is relatively small—approximately 10 per cent—next in importance to British India, Ceylon, and the Netherlands Indies. Nevertheless, because of its quality, its price, and the proximity of markets, it is highly prized in the United States, in Russia, and in Canada.

### TEA ACREAGE

The acreage of tea fields and tea hills in 1935 showed a slight increase of 1.1 per cent when compared with that of last year. The total area of tea fields amounted to 96,333 acres in 1935 contrasted with 95,255 acres in 1934.

### PRODUCTION

The total production of various kinds of tea reached 100,596,505 pounds (23,263,273 yen) in 1935 compared with 97,452,340 pounds (22,858,823 yen) in the previous year, an increase of 3.2 per cent in quantity and 1.8 per cent in value respectively.

### GREEN TEA

According to the varieties of tea, green tea, the natural produce of Japan, takes 97 per cent of the total production and the remainder consists mainly of black tea and other kinds. Production of green tea for 1935 as compared with the previous year was up by 2.8 per cent (97,299,554 pounds from 94,659,870 pounds), black tea by 20 per cent (2,771,918 pounds from 2,317,610 pounds), and other teas by 10.6 per cent (525,033 pounds from 474,860 pounds). The value of production of green tea increased by 2.8 per cent, but that of black tea and other teas were down by 22.5 and 11 per cent respectively.

### CHIEF PRODUCING DISTRICTS

The largest tea-producing district in Japan is Shizuoka, about 120 miles west of Tokyo, followed by Kyoto and Kagoshima. Green tea produced in Shizuoka is exported either through Japanese or foreign firms in that district from the port of Shimizu, which leads other ports in the export of tea. The district of Kyoto has been noted from olden days for its high and expensive grade of green and bitter tea called "Gyokuro," which is still used for the ancient "Tea Ceremony." This expensive variety of tea, which is somewhat bitter to the taste, leaves a sweet after-taste which is highly appreciated in Japan.

As the taste for black tea and coffee instead of green tea is being developed in Japan, though this is mainly confined to the younger generation, the consumption of black tea is gradually increasing. As may be noted in the production figures, a heavy increase in the production of black tea is registered, especially within the last few years, to cope with increasing consumption at home and demands of foreign markets. Shizuoka produces most of Continental Japan's black tea, although the Island of Formosa is the main producing centre for this variety.

### PRODUCTION IN FORMOSA

According to the official statistics of the Government of Formosa, production of black tea for 1934, the latest available figures, amounted to nearly 8,000,000 pounds valued at more than 4,000,000 yen. When compared with the production in 1933, the 1934 production showed more than 300 per cent increase in quantity and 450 per cent increase in value.

Of the many black tea producers in Formosa, the Mitsui interests operate eight tea farms and produce the best grade of black tea. According to their statement, production of black tea by their farms for 1935 amounted to 1,804,000 pounds as against 1,869,000 pounds for the previous year and as against 1,185,000 pounds in 1933, showing a slight reduction in the former and an increase during the latter year. Some 35 per cent of their production goes to Japan proper, and the remainder, 65 per cent, goes to overseas markets, chiefly to London.

### EXPORTS

Exports of various kinds of tea from Japan in 1935 as compared with 1934 increased 17.1 per cent in quantity and 19.5 per cent in value. This increase

may be chiefly credited to black tea, the exports of which are expected to have doubled, although figures for 1934 are not available. Although exports of green tea to the United States, Canada, and Russia declined by 10 to 40 per cent in 1935, total exports increased by 8 per cent due to the remarkable increase in exports to other countries of about 173 per cent.

### Exports of Tea

Varieties	1934 Cwts.	1935 Cwts.	1934 Yen	1935 Yen
Green.. . . . .	287,718	312,030	8,497,360	9,179,980
Black.. . . . .	29,313	49,543	1,059,751	2,002,256
Other.. . . . .		9,808		236,356
Total.. . . . .	317,031	371,381	9,557,111	11,418,592
Countries				
United States . . . . .	143,901	132,637	4,629,307	4,481,233
Russia.. . . . .	76,458	61,156	1,627,032	1,582,893
Canada . . . . .	30,879	18,006	875,717	578,939
British India . . . . .	11,550	11,679	459,552	424,359
Other . . . . .	54,243	147,903	1,965,503	4,351,168
Total.. . . . .	317,031	371,381	9,557,111	11,418,592

### IMPORTS

Despite Japan's ability to meet her own requirements of black tea, there are still fair amounts imported, coming chiefly from Ceylon. Chinese tea is also imported for consumption, mainly in Chinese restaurants or where Chinese foods are served. Imports in 1935 amounted to 729,538 pounds (815,867 yen) compared with 868,771 pounds (948,425 yen) in 1934.

According to Japanese Government statistics, first records of black tea imports date back to 1905, when 93,626 pounds valued at 28,113 yen were imported into Japan. In 1913 imports amounted to 83,899 pounds valued at 41,620 yen. Since 1914, however, imports of black tea were included with other teas under the general heading of imports of tea. Total imports for 1914 amounted to 617,891 pounds valued at 112,408 yen, and the proportion of Chinese tea and black tea from Ceylon was approximately 80 and 20 per cent respectively. This proportion has been gradually changing, however, especially since about 1925, when Ceylon black tea imports equalled imports of China tea and have been gaining to the point where they now exceed them. The largest imports of recent years occurred in 1923, when imports reached 1,680,678 pounds. Since then, however, imports have held to approximately three-quarters of a million pounds a year. Imports of black tea into Japan consist chiefly of "Lipton's." The prices of imported teas are from three to four times those of the local product.

### FINAL JAPANESE CROP REPORT

Mr. A. K. Doull, Assistant Trade Commissioner in Tokyo, writes under date November 4, 1936, that, according to information just received, Japan's 1936 wheat crop amounted to 44,450,339 bushels, a decrease of 7.2 per cent as against the 1935 yield, but an increase of 11.9 per cent when compared with the average crop for the last five years. (In *Commercial Intelligence Journal* No. 1705 (October 3) the final Japanese grain crop estimate was reported, which only differs slightly from the final returns as given in this report.) The barley crop amounted to 31,521,578 bushels, a decrease of 12.8 per cent as compared with last year's yield and 11.6 per cent as against the last five years' average crop. Rye yielded 28,960,978 bushels, a decrease of 11.8 per cent as against the 1935 yield, but only a 6.4 per cent decrease as against the last five years' average crop.

**TRADE OF THE COMMONWEALTH OF THE PHILIPPINES IN 1935****K. F. NOBLE, ACTING TRADE COMMISSIONER**

(The Philippine peso at par is equal to 50 cents United States currency)

Hongkong, September 28, 1936.—The total volume of the foreign trade of the Commonwealth of the Philippines showed a slight decrease during the year 1935 against that for the previous twelve months' period, amounting to 359,539,039 pesos as against 388,021,492 pesos.

During 1935 total imports were valued at 171,047,699 pesos as against 167,214,211 pesos; while exports amounted to 188,491,360 pesos as against 220,807,271 pesos.

It will be observed that the reduction in total trade has risen from the restriction in exports and is attributable entirely to the reduction in the export of raw sugar to the United States, under the quota regulations introduced in November, 1934, by the Tydings-McDuffie Act. Apart from sugar, exports of which declined by 64,927,802 pesos or 50 per cent, non-sugar exports during the period 1935, including coconut oil, abaca, copra, tobacco products, embroideries, desiccated coconut, lumber, etc., increased by 32,616,891 pesos.

**BALANCE OF TRADE**

For the second year in succession the Philippine Islands have shown a favourable visible balance of exports, amounting in 1935 to 17,443,661 pesos, which, though considerably below that of 1934 (53,593,050 pesos), is of substantial volume and attributable principally to the very favourable balance of trade with the United States, which more than offset the unfavourable balance resulting from trade with other countries, notably in the Orient and Europe.

Imports from the United States were practically as for the previous year, being 108,733,000 pesos compared with 108,751,356 pesos for 1934. On the other hand, exports to the United States amounted to 149,871,073 pesos as against 183,687,187 pesos for 1934. There was, however, a substantial increase of imports from other countries, the total during 1935 being 62,314,699 pesos as against 58,462,865 pesos, due primarily to the growing influence of Japan in the market and to the attraction of price goods available from that country.

**POSITION OF UNITED STATES IN THE TRADE**

The United States naturally commands a dominant position in the import and export trade of the Philippine Islands, which were under the administration of this country until the inauguration of the Commonwealth Government of the Philippines in November, 1935.

The importance of this country as a supplier and as a market is indicated by its participation in the trade, comprising 63·6 per cent of imports during 1935 as against 65 per cent during 1934; while absorbing 79·5 per cent of the exports as against 83·2 per cent during 1934.

**OTHER COUNTRIES**

Japan is the second participant in the trade, being directly concerned in 9·75 per cent of the total trade as against 7·53 per cent in 1934, which subdivides into 14·3 per cent of imports as against 12·37 per cent in 1934, and 5·69 per cent of exports as against 3·87 per cent in 1934.

Next in importance during the year under review are Great Britain with 2·5 per cent of the total trade (2·02 per cent of imports and 3·06 per cent of exports); China, 2·06 per cent of the total trade (3·28 per cent of imports and 0·95 per cent of exports); and Germany, 1·94 per cent of the total trade (3 per cent of imports and 0·98 per cent of exports).

The ten principal imports of the Philippines during 1935, in order of their importance in respect to value, were as follows:—

*Ten Principal Imports into the Philippine Islands in 1935*

	Value in 1,000 Pesos	% of Total	% Inc. or Dec. compared with 1934
Cotton goods.. . . . .	30.600	18	— 2
Iron and steel manufactures.. . . . .	22.177	13	— 3
Mineral oils.. . . . .	15.293	9	+20
Meat and dairy products.. . . . .	9.306	5	+13
Automobiles, parts of and tires for.. . . . .	9.214	5	—11
Tobacco products.. . . . .	7.501	4	+28
Papers and manufactures.. . . . .	6.620	4	+ 4
Wheat flour.. . . . .	5.711	2	+ 9
Chemicals, drugs, dyes and medicines.. . . . .	5.155	3	+ 7
Silk and rayon manufactures.. . . . .	4.851	3	+ 5
Other imports.. . . . .	54.620	36	+ 5

It will be observed from the above table that increases were recorded in seven out of the ten principal import classifications.

PRINCIPAL IMPORTS IN 1935: PERCENTAGES BY COUNTRIES

The following will serve to show in abridged form the composition of the import trade in the principal groups by contributing countries during 1935, with corresponding percentages for the preceding year given in parentheses:—

*Cotton Goods.*—United States, 44.23 per cent (50.08 per cent); Japan, 42.72 (35.57); Great Britain, 4.2 (5.42); China, 3.86 (4.47); France, 2.23 (1.66); and Switzerland, 2.08 (2.09).

*Iron and Steel and Manufactures Thereof.*—United States, 76.8 per cent (77.88 per cent); Germany, 7.37 (8.3); Japan, 5.53 (3.89); Belgium, 3.97 (5.26); Sweden, 2.1 (1.38); Great Britain, 2.03 (1.74).

*Mineral Oils.*—United States, 87.19 per cent (86.07 per cent); Dutch East Indies, 12.34 per cent (13.53 per cent).

*Meat and Dairy Products.*—United States, 55.14 per cent (67.31 per cent); Netherlands, 22.68 (6.69); Australia, 7.11 (15.15); China, 6.02 (5.13); Uruguay, 2.4 (0.91); Japan, 2.1 (0.54); and Switzerland, 1.55 (1.62).

*Automobiles, Parts of, and Tires for.*—United States, 99.36 per cent (97.57 per cent).

*Tobacco Products.*—United States, 98.55 per cent (97.62 per cent); Dutch East Indies, 1.23 per cent (2.13 per cent).

*Papers and Manufactures Thereof.*—United States, 74.92 per cent (75.96 per cent); Germany, 8.11 (5.31); Japan, 4.24 (4.1); and France, 3.59 (3.92).

*Wheat Flour.*—United States, 42.8 per cent (69.25 per cent); Australia, 30.05 (10.68); Canada, 19.36 (14.4); Japan, 7.17 (4.52); and China, 0.62 (1.08).

*Chemicals, Drugs, Dyes, and Medicines.*—United States, 66.92 per cent (70.13 per cent); Germany, 8.23 (9.21); Canada, 6.69 (2.73); Japan, 4.55 (3.76); France, 3.97 (5.07); China, 2.31 (2.31); and British East Indies, 2.18 (1.84).

*Silk and Rayon and Manufactures Thereof.*—Japan, 50.59 per cent (38.69 per cent); United States, 40.41 (51.14); China, 5.4 (4.75); France, 1.71 (1.96); and Great Britain, 1.02 (1.93).

The ten principal exports of the Philippines during 1935, in order of their importance in respect to value, are given in the following table:—

*Ten Principal Exports from the Philippine Islands in 1935*

	Value in 1,000 Pesos	% of Total	% Inc. or Dec. compared with 1934
Sugar.. . . . .	65.981	35	—50
Coconut oil.. . . . .	24.509	13	+80
Abaca.. . . . .	22.948	12	+32
Copra.. . . . .	21.975	12	+28
Tobacco products.. . . . .	12.004	6	+16
Embroideries, cotton and silk.. . . . .	10.152	5	+90
Desiccated coconut.. . . . .	7.925	4	+76
Lumber.. . . . .	5.024	3	+16
Copra meal or cake.. . . . .	3.279	2	+55
Cordage.. . . . .	2.324	0.2	—12
Other exports.. . . . .	12,371	7.8	+ 1

The composition of the export trade presented by the foregoing table has on a percentage basis been substantially maintained; there were increases in eight of the ten headings.

As long as the Philippine Islands remain a part of the trading territory of the United States, it is doubtful if sugar can regain its lost position, owing to quota restrictions, and it is similarly doubtful if any appreciable improvement in the export of cordage and raw hemp can be anticipated.

#### EXPORT DISTRIBUTION BY COUNTRIES IN PERCENTAGES

Below are given the percentages of distribution of the exports in the above classes by countries of destination during the year 1935, with comparable percentages for 1934 appearing in parentheses:—

*Sugar*.—United States, 99·87 per cent (99·99 per cent).

*Coconut Oil*.—United States, 97·96 per cent (94·14 per cent); and British East Indies, 0·74 per cent (0·22 per cent).

*Abaca*.—United States, 33·21 per cent (31·13 per cent); Japan, 27·45 (27·49); Great Britain, 21·35 (22·39); Belgium, 2·44 (2·27); and Canada, 2·12 (1·85).

*Copra*.—United States, 82·88 per cent (45·32 per cent); Spain, 8·34 (1·68); and France, 5·81 (25·12).

*Tobacco Products*.—United States, 54·79 per cent (64·75 per cent); Spain, 26·47 (11·77); Korea, 6·16 (5·58); and Japan, 2·8 (4·48).

*Embroideries, Cotton and Silk*.—United States, 99·86 per cent (99·73 per cent).

*Desiccated Coconut*.—United States, 99·49 per cent (99·4 per cent).

*Lumber*.—United States, 38·72 per cent (35·66 per cent); Japan, 30·76 (32·73); Great Britain, 11·52 (9·85); China, 8·28 (7·64); Australia, 4·46 (5·29); and British Africa, 3·6 (4·87).

*Copra Meal and Cake*.—United States, 37·67 per cent (42·57 per cent); Germany, 29·72 (36·61); Denmark, 20·45 (1·45); Sweden, 4·65 (8·81); and Netherlands, 4·2 (7·11).

*Cordage*.—United States, 54·14 per cent (58·85 per cent); British East Indies, 10·7 (8·39); Siam, 7·06 (5·54); Porto Rico, 4·78 (7·34); Dutch East Indies, 3·57 (3·21); Hongkong, 3·31 (1·86); Peru, 3·11 (2·06); and China, 2·84 (2·78).

#### INCREASE IN GOLD EXPORTS

Apart from the above principal export groups, it is worth noting that gold ore and gold bullion exports registered an increase, amounting in the case of gold ore to 1,042 per cent in value over 1934, and in the case of gold bullion to 28 per cent. Exports of gold ore amounted to 481,308 kilos valued at 449,133 pesos as against (quantity not recorded) 39,318 pesos during 1934. Exports of gold bullion amounted to 659,843 ounces valued at 14,911,276 pesos as compared with 517,934 ounces valued at 11,634,884 pesos for 1934.

#### TRADE WITH CANADA

Although one of the smaller participants in the trade with the Philippine Islands, Canada's trade during the year 1935 was recorded at a value of 2,315,561 pesos, being composed of 1,781,454 pesos imports from Canada and 534,107 pesos exports to Canada, which compare favourably with the figures for 1934, when the comparative statistics were imports from Canada 1,269,921 pesos and exports to Canada 553,905 pesos.

The principal imports into the Philippine Islands of Canadian origin during the year 1935 were: wheat flour (1,105,445 pesos), chemicals (297,143 pesos), newsprint (76,679 pesos), mixed fertilizer (38,653 pesos), brass wire (36,998 pesos), rye whisky (26,843 pesos), copper wire (21,730 pesos), salmon (12,022 pesos).

Among other items of Canadian origin imported during the year were: oats, lead, telephones and accessories, butter, mirrors, varnish, tableware, glue, hats and caps, honey, tires, tubes, ink, tools, woodworking machinery, needles, iron and steel.

Principal exports of Philippine Islands products to Canada during 1935 were: abaca (485,557 pesos), hats (12,988 pesos), coconut oil (10,808 pesos), and copra meal (8,736 pesos).

## ANGLO-ITALIAN TRADE AGREEMENT

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, writes under date November 13, 1936, that the new trade agreement between the United Kingdom and Italy, which was signed in Rome on November 6, consists of two parts, the one providing for a clearing system for the discharge of debts, and the other dealing with the quotas of British goods to be imported into Italy. Under the arrangement Italy will be given a favourable balance of payments, so that she may accumulate sterling in sufficient volume to enable her to pay her commercial and other debts to the United Kingdom. The clearing agreement provides that all debts in respect of the price of Italian goods imported into the United Kingdom shall continue to be paid to the Anglo-Italian clearing office. Seventy per cent of these funds are to be allocated to pay debts arising in connection with current trade, 27 per cent to arrears of all commercial debts, and 3 per cent to financial debts and remittances.

Under the commercial agreement, the Italian Government undertake, in effect, that they will authorize imports into Italy of United Kingdom goods and codfish from Newfoundland to a total quarterly value of 97,000,000 lire. Restriction of current trade to this level has been arranged in order to ensure that there will not be any fresh accumulation of untransferred arrears. For coal and coke the quarterly quota will be 43,500,000 lire, representing, roughly speaking, between 450,000 and 500,000 metric tons.

The agreements will come into force November 16, 1936, and will continue in force until June 30, 1937, and thereafter from quarter to quarter, subject to the provision that the clearing agreement will remain in force until all arrears of trade debts have been liquidated.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### Importance of Correct Customs Documentation for Australia

Mr. M. T. Stewart, Acting Trade Commissioner at Melbourne, Australia, emphasizes the importance of Canadian firms exporting goods to Australia complying strictly with the prescribed regulations governing the Invoice, Certificate of Value, and Certificate of Origin. A mimeographed leaflet, No. 3E, issued by the Foreign Tariffs Division of the Department of Trade and Commerce, Ottawa, setting forth these regulations, may be obtained on application to the Department.

Discussing some details of the requirements, Mr. Stewart calls particular attention to the column "Country of Origin" where the exporter is required to insert after the word "Canada" the letter "A," "B," or "C," which letters designate whether the goods are "A" wholly manufactured in Canada, "B" have a 75 per cent Canadian content, or "C" are within the category which qualify under 25 per cent Canadian content. (Australian content may be included to attain these percentages.) The directions in this regard are contained in the text of the certificate of origin. Failure to insert the proper letter, he points out, subjects goods to the general tariff, at least until the importer can arrange with the exporter in Canada for obtaining properly executed documents. It requires additional time to obtain a refund of any extra duty that may have been paid under the general tariff.

The article in the Canada-Australia trade agreement which provides that no greater amount of inland freight charges is included in value for duty than the actual amount that would be incurred if the goods were forwarded from their point of origin to the nearest point of exit from Canada necessitates showing on the face of the invoice the freight to such nearest point of exit, although the goods may have gone by another route, as well as naming the nearest point of exit. If this information is not clearly given on the document

the customs have no alternative but to charge duty on the actual inland freight incurred. There is provision made at the foot of the invoice for itemizing this information, together with other important items such as cartage, value of outside packages, and labour in packing goods in the outside packages, as well as royalties. Mr. Stewart points out that when items such as these are not properly stated the Australian Customs are obliged to assess an arbitrary valuation instead. The information given on the form should be, of course, consistent throughout.

### **Trinidad Increases General Tariff on Coronation Souvenirs**

The Legislative Council of Trinidad and Tobago on November 6, 1936, imposed a general tariff of 300 per cent ad valorem on goods of the following description, not produced or manufactured within the British Empire, imported into Trinidad up to June 1, 1937:—

Articles of all kinds suitable for use for or in connection with the celebration or commemoration of the coronation of His Majesty or as souvenirs thereof being articles which consist of or bear a representation of His Majesty or of any member of the royal family, any royal emblem or other device or union flag or flag badge of any part of the British Empire or which consist of or bear any other mark or device which renders them suitable for use as aforesaid.

The British preferential tariff (applicable to Canada) on most goods of the foregoing description is 10 per cent ad valorem.

### **Southern Rhodesia Prohibits Importation of Process Cheese**

Mr. J. C. Britton, Assistant Trade Commissioner at Johannesburg, writes under date October 16, 1936, that according to notice published in the Southern Rhodesian Government *Gazette* of October 9, 1936, after November 30, 1936, no permits will be issued for the importation of process cheese of the type commonly known as kraft and crustless cheddar, as this type of cheese is now being manufactured in the colony.

Permits will be issued for gruyère, gorgonzola, and such other varieties of cheese as are not made in the colony and the importation of which has hitherto been allowed under permit.

### **United States Deposit of Estimated Duties on Seed Potatoes**

The United States Treasury Department announce that, owing to the near exhaustion of the quota, importers of certified seed potatoes will be required, from November 18, to deposit estimated duties at the full rate of duty.

Under the Canada-United States Trade Agreement, effective January 1, 1936, the duty on an annual quota of 750,000 bushels of certified seed potatoes was reduced from 75 cents per 100 pounds to 60 cents per 100 pounds from December 1 to February 28, and to 45 cents per 100 pounds from March 1 to November 30.

### **Mexican Regulations on Samples**

Mr. S. G. MacDonald, Acting Trade Commissioner in Mexico City, reports that a Mexican decree of October 14, 1936, makes new regulations affecting importation of samples and sample sets of such commodities as school articles, building toys, textiles, felt, carpets and the like; ribbons, cords, thread, laces and the like; handkerchiefs, stockings, cravats, hats, leather, oilcloth, wood, cork, buttons, knuckles, nails, screws, rivets and the like; foodstuffs, beverages, fixed or volatile oils, greases, waxes, gums, fibres, perfumes, cosmetics, aromatic waters, soap, drugs and the like. Canadian exporters interested are advised to communicate with the Department of Trade and Commerce, Ottawa, for details.

### Documentation for Germany

With reference to the notice in *Commercial Intelligence Journal* No. 1516 (February 18, 1933, page 230), Mr. L. Kempff, German Consul General for Canada, has advised that there has been no change in the method of documentation for shipment of goods from Canada to Germany. The prerequisite for application of the German conventional tariff to Canadian goods as well as to goods of all other most-favoured-nation countries is proof of origin which can, if necessary, be furnished by means of certificates of origin, there being no particular wording prescribed. This proof, however, can also be furnished by invoices showing names and addresses of sender and consignee; number of packages; kind of packages; marks and numbers; weight—gross and net; transportation used (rail, mail, ship, etc.); contents of packages; and bearing the following declaration:—

I hereby certify that the above goods are of Canadian origin.

(Place

Date

).

(Signature)

### New Tariff Preferences in Kedah

Kedah, Unfederated Malay State, Notification No. 1667 amends certain items of the import tariff with effect from October 17, 1936. The general tariff on "fruits and vegetables preserved in metal, glass, or earthenware containers, including jam and marmalade," is unchanged at 20 per cent ad valorem but the British preferential tariff has been reduced from 5 per cent ad valorem to free. Tanned hides and skins, formerly dutiable at 15 per cent ad valorem general tariff and 5 per cent preferential rate, are now dutiable at 10 per cent ad valorem full rate and free under the preferential tariff. The item "perfumery" has been changed to "perfumery and cosmetics," and the former general tariff rate has been reduced from 50 per cent ad valorem to 25 per cent ad valorem and the preferential rate from 25 per cent ad valorem to free.

Canadian goods conforming with prescribed regulations are eligible for preferential tariff treatment.

### New Tariff Preferences in Perlis

The Unfederated Malay State of Perlis, by Order in Council, effective October 12, 1936, amends the import tariff by deleting the item "tinned fruits and vegetables" and substituting the item "fruits, jams, marmalade, vegetables, fish, meats, and soups in metal, glass, or earthenware containers." The new rate is 20 per cent ad valorem general tariff and 5 per cent ad valorem British preferential tariff. Formerly "tinned fruits and vegetables" were dutiable at 20 per cent ad valorem general tariff and 15 per cent ad valorem preferential tariff and those not included "free" all sources as "unenumerated" goods.

Canadian goods conforming with prescribed regulations are eligible for British preferential tariff treatment upon importation into Perlis.

### Flour-testing Regulations in South China

Mr. K. F. Noble, Assistant Trade Commissioner in Hongkong, advises that, effective October 5, all imported flour shall be subject to inspection by the Testing Bureau of Canton, China. The regulations are similar to those already in force at Tientsin and Shanghai. (See *Commercial Intelligence Journal* No. 1644, August 3, 1935; No. 1650, September 14, 1935; No. 1655, October 19, 1935; and No. 1657, November 2, 1935.)

**FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOVEMBER 23**

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 23, and for the week ending Monday, November 16, 1936, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending November 16	Nominal Quotations in Montreal Week ending November 23	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1866	\$ .1864	3½
Belgium . . . . .	Belga	.1001	.1689	.1688	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0353	.0353	3
Denmark . . . . .	Krone	.2680	.2180	.2180	4
Finland . . . . .	Markka	.0252	.0216	.0215	4
France . . . . .	Franc	.0392	.0464	.0464	2
Germany . . . . .	Reichsmark	.2382	.4020	.4014	4
Great Britain . . . . .	Pound	4.8666	4.8860	4.8850	2
Greece . . . . .	Drachma	.0130	.0090	.0090	7
Holland . . . . .	Guilder	.4020	.5396	.5405	2½
*Hungary . . . . .	Pengo	.1749	.2946	.2950	4
Italy . . . . .	Lira	.0526	.0525	.0525	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0230	5
Norway . . . . .	Krone	.2680	.2453	.2453	3½
Poland . . . . .	Zloty	.1122	.1881	.1887	5
Portugal . . . . .	Escudo	.0442	.0443	.0443	4½
Roumania . . . . .	Leu	.0060	.0075	.0073	4½
Spain . . . . .	Peseta	.1930	.....	.....	5
Sweden . . . . .	Krona	.2680	.2517	.2517	2½
Switzerland . . . . .	Franc	.1930	.2297	.2295	2
United States . . . . .	Dollar	1.0000	.9987	.9981	1½
Mexico . . . . .	Peso	.4985	.2775	.2770	4-5
Cuba . . . . .	Peso	1.0000	.9980	.9973	—
Guadeloupe . . . . .	Franc	.0392	.0464	.0464	—
Jamaica . . . . .	Pound	4.8666	4.8939	4.8950	—
Martinique . . . . .	Franc	.0392	.0464	.0464	—
Other British West Indies	Dollar	1.0138	1.0175	1.0175	—
Argentina . . . . .	Peso (Paper)	.4245	.3256	.3256	3½
		Unofficial	.2772	.2765	—
Brazil . . . . .	Milreis (Paper)	.1196	.0863	.0870	—
		Unofficial	.0585	.0585	—
British Guiana . . . . .	Dollar	1.0138	1.0175	1.0175	—
Chile . . . . .	Peso	.1217	.0516	.0516	4½
		Unofficial	.0416	.0416	—
Colombia . . . . .	Peso	.9733	.5696	.5706	4
Peru . . . . .	Sol	.2800	.2497	.2495	6
Venezuela . . . . .	Bolivar	.1930	.2497	.2495	—
Uruguay . . . . .	Peso	1.0342	.7990	.7985	—
South Africa . . . . .	Pound	4.8666	4.8775	4.8787	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.0037	5.0100	—
China (Shanghai) . . . . .	Dollar	.....	.2941	.2947	—
Hongkong . . . . .	Dollar	.....	.3048	.3035	—
India . . . . .	Rupee	.3650	.3687	.3687	3
Japan . . . . .	Yen	.4985	.2853	.2861	3.29
Java . . . . .	Guilder	.4020	.5416	.5420	—
Siam . . . . .	Baht (Tical)	.4424	.4458	.4475	—
Straits Settlements . . . . .	Dollar	.5678	.5730	.5726	—
Australia . . . . .	Pound	4.8666	3.9070	3.9075	—
New Zealand . . . . .	Pound	4.8666	3.9380	3.9400	2½
		* Unofficial:	.1974	.1974	—

The Dominion Bureau of Statistics has supplied the following note:—

Exchange rates at Montreal have continued exceptionally steady during the third week of November, apart from fractional declines in the United States dollar. Further evidence of the restoration of more normal exchange conditions was furnished on November 23, when it was announced that Belgium, the Netherlands, and Switzerland had joined the monetary pact made a few weeks earlier by the United Kingdom, the United States, and France. The three new Powers are to enjoy the same privileges as the original members but will occupy a junior position with regard to policy determination. The National Bank of Roumania has recently been authorized to revalue the leu at 153.333-3 lei per kils, i.e., approximately 6 mgms. of gold as compared with 10 mgms. authorized by the earlier stabilization law of 1929.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Kitchener, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Commercial Intelligence Service, Municipal Affairs Department, Quebec.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Winnipeg, Man.  
Edmonton, Alta.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Miscellaneous—</b>			
Anklets of Cotton and Rayon....	739	Hamilton, Bermuda.....	Agency.
Ladies' Dresses.....	740	Singapore, Straits Settlements.	Purchase.
Surgical Rubber Goods, i.e., Hospital Sheetings, Tubing, etc.	741	Calcutta, India.....	Purchase and Agency.
Transformer Welding Set (300 to 600 Amperes capacity).	742	Kuala Lumpur, Federated Malay States.	Purchase and Agency.
Hurricane Lanterns.....	743	Kuala Lumpur, Federated Malay States.	Purchase and Agency.
Lantern Slide Projectors workable with Electricity and Acetylene Gas.	744	Calcutta, India.....	Purchase and Agency.
Flour Mill Machinery (Roller Mills).	745	Harbin, Manchuria.....	Agency.

**PROPOSED SAILINGS FROM CANADIAN PORTS**

(The sailing dates are approximate and subject to change without notice)

**From Halifax**

*To Liverpool.*—Manchester Hero, Dec. 2; Manchester Brigade, Dec. 12—both Manchester Line; Montcalm, Dec. 5; Duchess of York, Dec. 13; Montclare, Dec. 19; Montrose, Dec. 26—all Canadian Pacific; Lancastria, Cunard-White Star Line, Dec. 7; Newfoundland, Furness Line, Dec. 24.

*To London.*—Beaverbrae, Dec. 4; Beavercdale, Dec. 11; Beaverburn, Dec. 18; Beaverford, Dec. 25—all Canadian Pacific; Ascania, Dec. 6; Aurania, Dec. 13; Ausonia, Dec. 27—all Cunard-White Star Line; Cold Harbor, Dec. 10; City of Flint, Dec. 24—both American Hampton Roads (call at Dundee).

*To Manchester.*—Manchester Hero, Dec. 2; Manchester Port, Dec. 12; Manchester Brigade, Dec. 12; Manchester Producer, Dec. 19; Manchester Citizen, Dec. 26—all Manchester Line.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Dec. 12.

*To Cardiff, Bristol and Swansea.*—Montreal City, Dec. 19; Boston City, Jan. 4—both Bristol City Line.

*To Aberdeen, Newcastle and Hull.*—Kelso, Ellerman's Wilson Line, Dec. 19.

*To Avonmouth, Cardiff and Swansea.*—Airthria, Dec. 12; Dakotian, Dec. 28—both Cunard-Donaldson and Dominion Lines.

*To Glasgow.*—Delilian, Donaldson-Atlantic Line, Dec. 19.

*To Newcastle and Leith.*—Cairnross, Dec. 1; Cairnesk, Dec. 17; Cairnglen, Dec. 31—all Cairn-Thompson Line; Cold Harbor, American Hampton Roads, Dec. 10 (does not call at Newcastle).

*To Antwerp.*—Beaverburn, Canadian Pacific, Dec. 18.

*To Hamburg.*—Cold Harbor, Dec. 10; City of Flint, Dec. 24—both American Hampton Roads; Beaverburn, Canadian Pacific, Dec. 18.

*To Copenhagen and Baltic Ports.*—Pilsudski, Nov. 30; Batory, Dec. 14—both Gdynia-America Line (call at Gdynia).

*To Gothenburg.*—Gripsholm, Swedish-America Line, Dec. 10.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Townsend, Nov. 30 and Dec. 21; Fort Amherst, Dec. 7—both Furness-Red Cross Line; Kong-haug, Newfoundland-Canada SS. Ltd., Nov. 30; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Dec. 2; Newfoundland (does not call at St. Pierre), Furness Line, Dec. 24.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, Dec. 3; Lady Nelson, Dec. 17; Lady Hawkins, Dec. 31—all Canadian National.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Colborne, Dec. 12; Chomedy, Dec. 26—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Cavelier (does not call at Hamilton or Nassau), Dec. 3; Lady Somers, Dec. 10; Cathcart (does not call at Hamilton or Nassau), Dec. 17; Lady Rodney, Dec. 24—all Canadian National.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Silverwalnut, Dec. 5; Malayan Prince, Dec. 19; Silverteak, Jan. 2—all Silver-Prince Line.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Armada, Montreal-Australia-New Zealand Line, Dec. 28.

*To Auckland, Wellington, Lyttelton and Dunedin.*—Canadian Highlander, Montreal-Australia-New Zealand Line, Dec. 21.

**From Saint John**

*To Liverpool.*—Montcalm, Dec. 4; Duchess of York, Dec. 12; Montclare, Dec. 18; Montrose, Dec. 25—all Canadian Pacific.

*To London.*—Beaverbrae, Dec. 3; Beavercdale, Dec. 10; Beaverburn, Dec. 17; Beaverford, Dec. 24—all Canadian Pacific.

*To London, Antwerp and Rotterdam.*—Haukefjell, Dec. 9; Ravnefjell, Dec. 31—both J. Brock Shipping Co.

*To Manchester.*—Manchester Port, Dec. 10; Manchester Producer, Dec. 17; Manchester Division, Dec. 24; Manchester Citizen, Dec. 31—all Manchester Line.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Dec. 11.

*To Avonmouth, Cardiff and Swansea.*—Airthria, Dec. 10; Dakotian, Dec. 26—both Cunard-Donaldson and Dominion Lines.

*To Glasgow.*—Delilian, Dec. 17; Sulairia, Dec. 31—both Donaldson-Atlantic Line.

*To Antwerp and Hamburg.*—Beaverburn, Canadian Pacific, Dec. 17.

*To Barcelona, Marseilles, Genoa, Naples, Messina, Palermo, Valencia and Seville.*—Capo Lena, Capo Line, Dec. 14.

*To Montevideo and Buenos Aires.*—Nordkap, Canada-South America Line, Dec. 20; Flint II (calls at Santos but not at Montevideo), International Freighting Line, Dec. 23.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Dec. 9; Lady Hawkins, Dec. 23—both Canadian National.

*To Kingston and Jamaican Outports.*—A steamer, United Fruit Line, Dec. 5; Ciss, Pickford & Black SS. Line, Dec. 16.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—City of Ripon, Dec. 15; City of Khios, Dec. 30—both Ellerman & Bucknall SS. Co.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hiye Maru, Dec. 5; Heian Maru, Dec. 26; Hikawa Maru, Jan. 13—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Canada (calls Honolulu), Dec. 12; Empress of Russia (calls Nagasaki), Dec. 18; Empress of Japan (calls Honolulu), Jan. 9—all Canadian Pacific.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan, Deli, Colombo and Bombay.*—Silveray, Nov. 30; Hopecrest, Dec. 31—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Niagara, Dec. 2; Aorangi, Dec. 30—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Cloud (calls at Lyttelton and Dunedin if sufficient cargo offered), Dec. 20; Golden West, Jan. 16—both Oceanic and Oriental Navigation Co.

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Hauraki (calls at Papeete), Canadian-Australasian Line, Dec. 31.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Anten, Empire Shipping Co., Dec. 14.

*To Sydney, Melbourne and Adelaide.*—Nyanza, November-December; Wearpool, December; Anglo Peruvian, December—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Damsterdyk (calls at Glasgow), Dec. 12; Lochgoil, Dec. 26; Delftdyk, Jan. 9—all Holland-America Line.

*To London, Liverpool and Cardiff.*—Vernon City, Reardon Smith Line, Dec. 3.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—Oregon, Empire Shipping Co., Dec. 10.

*To Scandinavian Ports.*—Canada, Johnson Line, Dec. 7.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Leme, Dec. 5; Fella, Dec. 31—both Empire Shipping Co.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—Olympus, Canadian Transport Co., December.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—Silverpalm, Silver-Java Pacific Line, Dec. 5.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—A steamer, Dec. 28; Hardanger, Jan. 28—both Empire Shipping Co.

### From New Westminster

*To United Kingdom Ports.*—Abraham Lincoln, Dec. 11; Benjamin Franklin, Dec. 24; Knute Nelson, Jan. 12—all Anglo-Canadian Shipping Co.

*To London, Liverpool and Glasgow.*—Pacific Shipper, Dec. 4; Pacific Grove, Dec. 18—both Furness Line (call at Manchester); Ionic Star, Dec. 7; Viking Star, Dec. 12; Albion Star, Dec. 21; Tudor Star, Jan. 10—all American Mail Line Ltd. (call at Rotterdam and Newcastle); Damsterdyk, Dec. 12; Lochgoil, Dec. 26—both Royal Mail Lines Ltd. (call at Southampton and Rotterdam); Gracia, Balfour Guthrie & Co., Dec. 12.

*To Havre, Rotterdam, Liverpool and Glasgow.*—British Columbia Express, Dec. 8; California Express, Dec. 8—both B. W. Greer & Son Ltd.

*To Australian Ports.*—Anten, Empire Shipping Co., Dec. 12; Hauraki, Canadian-Australasian Line, Dec. 21; Preneiro, Anglo-Canadian Shipping Co., Dec. 24.

*To Japanese Ports.*—Tyndareus, Dodwell & Co. Ltd., Dec. 10.

*To South African Ports.*—Mapia, Dingwall Cotts Co., Jan. 5.

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

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R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

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### Japan

*Tokyo:* J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

*Kobe:* R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

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C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

### Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

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*Cape Town:* G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

*Johannesburg:* J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

### United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London:* W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

*Liverpool:* H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

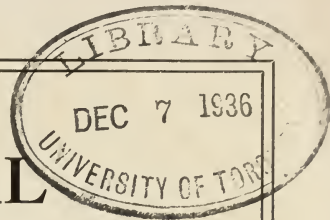
*Bristol:* FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

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### United States

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



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THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LV

Ottawa, December 5, 1936

No. 1714

## TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in Canada in the interest of Canadian trade with their respective territories: Mr. C. S. Bissett, formerly Trade Commissioner in North China and Manchuria, and Mr. G. B. Johnson, Glasgow.

Their itineraries are as follows:—

### Mr. Bissett

Vancouver, New Westminster and Victoria .. Dec. 8 to 12	Calgary .. . . . Dec. 14
	Edmonton .. . . . Dec. 15

### Mr. Johnson

Montreal .. . . . Dec. 8 to 22	St. John.. . . . Jan. 2 to 5
Granby .. . . . Dec. 23	Bridgetown.. . . . Jan. 6
Quebec .. . . . Dec. 28	Halifax.. . . . Jan. 7 and 8
Fredericton. . . . . Dec. 30	

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Edmonton, Vancouver, and Victoria, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## CHINA'S NATIONAL AGRICULTURAL RESEARCH BUREAU:

### Beginning of Crop Reporting in China

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

Shanghai, October 29, 1936.—The National Agricultural Research Bureau was created by the Ministry of Industries of the National Government at Nanking in December, 1931, as a result of recommendations made by a committee set up by the Ministry to study means of improving China's agriculture. This committee included a number of Chinese and foreign agricultural experts. The bureau provides but one example of the modern attitude towards national problems being adopted by the present Chinese Government, of which many of the leaders have been trained in, or appreciate, Western technique.

A plot of land 2,300 mow (about 400 acres) in extent was secured just outside the capital, Nanking, as an experimental farm, and modern headquarters buildings were provided. These include an assembly hall seating 200 persons, which is used for lectures in training field workers and for similar educational purposes.

### ORGANIZATION

The work of the bureau is carried on through three divisions, each having several departments as follows: I. Division of Crop Production: Agronomy; Forestry; Plant Pathology and Entomology; Soils and Fertilizers. II. Animal Production: Sericulture; Animal Husbandry and Veterinary Science. III. Agricultural Economics: Crop Reporting; Farm Management; Rural Industries.

The technical staff consists of some fourteen Chinese specialists who have had advanced training abroad and long experience in their field in China, and one foreign specialist. Additional experts are to be attached as funds permit.

### CROP IMPROVEMENT WORK

In this work, carried on under the Department of Agronomy, attention is being concentrated on wheat, rice, cotton (in co-operation with the Central Cotton Improvement Institute of the National Economic Council), and potatoes (both Irish potatoes and sweet potatoes), but the bureau is also co-operating with other governmental and private organizations to improve the silk and tea industries.

Studies are also being made designed to discover the best practicable methods of insect and plant-disease control, and of promoting forestry production.

### WHEAT IMPROVEMENT

The investigation of wheat problems dates from 1931 and was the first to be taken up. Studies are being made of Chinese and foreign varieties with a view to deciding upon those best suited for the different areas of China, and experiments in selection and hybridization are being carried on. The greater part of China's wheat is winter wheat sown in the late autumn or winter for reaping in May/June, but adverse weather conditions sometimes prevent the farmers from sowing this winter wheat at the proper time, and, in addition, winter-killing is a serious problem in North China. Accordingly experiments in "vernalization," or pre-germination of seeds, are being carried on.

Pot culture and field experimentation with wheat and rice is also under way with a view to discovering more precisely the chemical deficiencies of the soils in different regions of the country and what additions are necessary for maximum yields. Results thus far indicate that the soil around Nanking, for example, lacks nitrogen.

### FARM ECONOMICS AND THE DEVELOPMENT OF RURAL INDUSTRIES

The bureau's Division of Agricultural Economics is undertaking work along these lines through surveys of economic conditions among farm families and studies of the marketing of agricultural products. This division also seeks to assist in the development of rural industries by collecting data on the raw material resources, the potential power supplies, and the amount and type of agricultural production, in given regions.

This latter work is of the utmost importance, for if village handicrafts and decentralized rural industries can be developed as a supplement to agriculture they offer the most hope for raising the purchasing power and the standard of living among the farming millions. It is estimated that in all China under-employment in the interior villages, due to the density of population, and to the part-time nature of agriculture, especially in North and North-Central China, is equivalent to the whole-time unemployment of from 50,000,000 to 60,000,000 people.

### CROP REPORTING

It is perhaps the crop reporting side of the bureau's work which is of most immediate interest to other countries. This is based on regular information received from a force of volunteer field workers and from a number of provincial experimental stations and agricultural colleges throughout the country. The field workers now number some 6,000, located throughout 1,200 hsien (counties) of 22 provinces. They have been enrolled from among the better-educated classes such as district school teachers, and postmasters. The prime requirement is that they be permanent residents of their district and know it

well. To them are sent each month, or more frequently when necessary, the bureau's blank forms. These are sent by post, bear return address and postage, and are drawn up in a form as simple as possible. When they have been completed and returned a special staff compiles from them the current forecasts and estimates, which are then published in a monthly bulletin called "Crop Reports." The Chinese edition is issued about the 15th of each month, with an English edition available later. Other information obtained in the same way is used for the study of general rural problems by all branches of the bureau. Apparently due to the inevitable difficulties of translation, the English edition mentioned is sometimes available only several months later than the original Chinese edition.

### CROPS REPORTED

The following crops are regularly reported upon, the estimated "acreage planted" being given first, then, as the season advances, the estimate of "production expected," and finally estimates of "acreage harvested" and "amount harvested": Winter crops—Wheat, barley, peas, broad beans, rape seed, and oats. Summer crops—Rice (early, medium, late, and glutinous), kaoliang (a grain sorghum growing to the height of 8 to 12 feet), millet, proso-millet, corn, soy beans, sweet potatoes, cotton, peanuts, sesame, and tobacco. In addition, estimates for some minor crops such as the following are given from time to time: Green beans, black beans, buckwheat, sugar cane, Irish potatoes, and *Astragalus sinensis*. The last-named is a winter crop sometimes called "pink clover." It is grown principally in Central and South China to be ploughed under as a green manure.

### ACCURACY OF THE REPORTS

It is difficult to say how complete and accurate the crop reports are at present. The officials of the bureau would undoubtedly be the first to admit that they do not yet approach in reliability those published by leading countries in Europe and North America. This is only to be expected in view of the short time the work has been under way, the limited funds so far available, the immense area and population of the country, and the fact that the great mass of the Chinese farmers are illiterate and have never kept written records. Moreover, generations of tax collectors have instilled in them a profound suspicion of all inquirers, so that in the past they have frequently either refused co-operation or given misleading information. This difficulty is apparently being gradually overcome, partly by choosing in each district reporters whom the people know and trust, and partly by some real reforms recently in the government taxing agencies and methods.

Although various estimates of crops have been issued by the bureau since 1931, it was only in 1934 that the present degree of reliability began to be approached. Moreover, earlier figures were given in weights and measures of the abandoned "Peking standard." In July, 1935, the work of revising the early estimates in terms of the new shi picul and shi mow, and in the light of the more complete data available as a result of improved methods and an increased number and a wider distribution of reporters, was completed.

Judgment, based on observation and experience of the results achieved by Chinese workers in other fields new to China, suggests that the field force is probably still inadequate for complete coverage, and doubtless leaves something to be desired in personnel. But the work can be expected to improve and its value to increase cumulatively as longer trends become visible. On the whole therefore, it may be said that regular and systematic crop reporting is now established in China.

### AREA COVERED BY THE ESTIMATES

It should be noted that the estimates do not cover all of Greater China, the following areas being omitted: (a) Manchuria, which has been lost to

China since 1931. (b) The southwestern province of Kwangsi, over which the National Government's control has been recently extended. Doubtless this region will be included in the near future, but in so far as wheat production is concerned, it is in any case of negligible importance. (c) Four outlying territories of Greater China: Outer Mongolia, Sinkiang (formerly known as Chinese Turkestan), Thibet, and Sikang (an area lying between Szechwan and Thibet). None of these distant regions are of practical importance at present if only because the sole means of transportation existing between them and the rest of China is by caravan.

#### THE SHI PICUL AND THE SHI MOW

All the bureau's figures are given in these weights and measures, which have been officially adopted by the National Government of China. The shi picul, the unit in which all *production* estimates are given, is equal to 100·231 pounds or 50 kilograms. For the benefit of those who may see the bureau's reports, a quick method (involving an error of less than 1 per cent) of converting its production figures to bushels, in the case of wheat, is to double the shi picul figure and from the result to subtract 8 per cent; the remainder is the equivalent in bushels. (This picul must not be confused with the picul of 133½ pounds which was formerly used by the Chinese Maritime Customs, and is still general in Sino-foreign commerce throughout China.)

The shi mow is the unit used in reporting acreage. It is equal to 0·16474 acres or 6·66667 ares. A quick method of converting shi mow figures to acres is of course to divide by six. This involves an error of slightly over 1 per cent.

For small weights the shi catty is employed. It is one-hundredth of a shi picul or 1·10231 pounds. It must not be confused with the ordinary catty, which is one-hundredth of the ordinary picul.

### TRADE IN CANNED FRUITS, VEGETABLES, JAMS, AND SAUCES IN CENTRAL CHINA

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

(All prices shown in this report are in Canadian currency and have been converted at the rate of one Chinese dollar equals 30 cents Canadian. One gold unit equals 67·8 cents United States currency.)

Shanghai, October 20, 1936.—In view of the periodical inquiries received at this office with respect to the opportunities for various canned fruits, vegetables, and similar products, the following notes are submitted for the information of interested Canadian firms.

Although superficially it would seem that Central China, having a population of probably near to 260,000,000, should provide a large market for imported canned fruits, vegetables, jams, ketchups, and other sauces, close examination reveals that such is not the case. In the first place, these foodstuffs are considered luxuries by the great mass of the people, which means that, apart from the small foreign population, the demand is dependent on the more well-to-do section of the Chinese. Secondly, while the use of canned fruits, vegetables, and jams among the relatively small minority who can afford such products seems to be expanding slowly, the domestic canning industry is also growing, so that foreign products appear to be obtaining a decreasing proportion of a slowly growing total consumption.

#### RISE OF DOMESTIC INDUSTRY

Until about six years ago, little competition was offered by the domestic canning industry. Before 1929 imported canned fruits and vegetables, like most other articles, were subject to a nominal duty ranging from 5 to 7½ per cent. Since

that year, however, successive increases have taken place and the duty on canned fruit is now 11 gold units per 100 kilograms (or 220 pounds), including weight of immediate packing, to which must be added 10 per cent and 4 per cent of the duty payable, for surtax and wharfage dues respectively. This works out in the case of most fruits—depending, of course, on price—to approximately 60 per cent of the c.i.f. selling price to the importer. The duty on jams and jellies, which until 1930 was  $12\frac{1}{2}$  per cent, is now 35 per cent, and on canned vegetables 25 per cent.

#### INFLUENCE OF HIGHER DUTIES

These much higher duties, taken in conjunction with the decline in the price of silver, which was a factor towards increasing the cost in Chinese dollars of all imported foodstuffs, encouraged the establishment and growth of a domestic canning industry in the period between 1930 and 1934. As a result, while there are no definite figures available, there are known to be scores of canning factories operating throughout the country, and in Shanghai alone it is estimated that there must be well over twenty firms turning out various canned fruits, vegetables, jams, etc.

Most of these Chinese canning firms are small units, and in the absence of any statistics regarding either their number or productive capacity, it is difficult to arrive at any conclusion as to just how much of the total consumption of canned goods of this description is supplied by the domestic industry. However, the aggregate production of these local canning companies is quite large and, while the quality is still not to be compared with that of imported goods, nevertheless a considerable improvement has taken place in the last few years, both in regard to quality and methods of canning. One Shanghai firm in particular has reached the point where export outlets abroad are being sought for their products, which are now being put up on modern lines similar to imported goods of the same description.

#### EFFECT OF RISE IN SILVER VALUES

The subsequent rise in silver values which began in 1934 did not have the effect of encouraging the importation of foreign canned goods, since by that time the world depression had reached China, and Shanghai in particular, thus bringing about a general reduction of purchasing power. As a result a number of consumers of imported canned goods, particularly among the Chinese, tended to favour the products of the local canning industry, which by that time had become established. The position to-day is that while the small foreign population on the whole still purchase only imported canned fruits and vegetables—assuming that they use canned foods at all—Chinese canned fruit and vegetables are now to be obtained throughout all the retail foodstuff stores in Central China and have become extremely popular in Chinese restaurants, most of which operate, incidentally, a retail trade in canned goods as a supplement to their restaurant business.

#### VARIETY OF DOMESTIC CANNINGS

The variety of Chinese canned goods and vegetables is extensive and includes pears, strawberries, pineapple, apricots, cherries, and peaches. In vegetables, tomatoes, peas, and string-beans seem to be the leading lines packed locally which correspond to imported products. In addition, of course, the domestic industry puts up a number of typical Chinese foods, such as water-chestnuts, lichees, bamboo shoots, loquats, etc.

Taking into account the various factors enumerated above, it seems evident that while the consumption of canned goods among the Chinese is expanding, the bulk of this business is now going largely to the local canning industry, whose products sell at much lower prices than imported goods, and although the better-class Chinese already familiar with foreign goods, and those resident foreigners

who purchase canned goods, may be expected to continue purchasing them because they can afford to pay for a superior product, this section of the total demand is not capable of showing any appreciable increase over the present turnover; indeed most authorities consulted in the trade anticipate a gradual decline as the local industry improves its output.

#### INCREASING SUPPLIES OF FRESH VEGETABLES

Apart from the growth of domestic canning, among the additional factors operating in recent years to discourage the sale of imported canned foods, especially vegetables, in this territory has been the increasing availability of fresh vegetables grown locally by foreign methods and with the use of foreign fertilizers, thus eliminating the danger of infection which used to render the use of Chinese-grown vegetables extremely risky, particularly to foreigners.

While the total demand for fresh vegetables is mainly confined to the foreign white population of Shanghai (which is estimated to be around 45,000, including approximately 15,000 Russians), the fact that such products can be obtained fresh has necessarily affected the consumption of canned vegetables. Years ago foreign fresh vegetables, imported principally from the United States Pacific coast, enjoyed a larger share of this small trade, but imports have decreased noticeably during the past two years owing to the growth of the local production, which, of course, is protected by high duties. The duty on fresh vegetables of all types is 20 per cent *ad valorem*, plus the 10 and 4 per cent surcharges referred to earlier in this report.

As regards canned fruit consumption, here again the improvement in internal transportation arrangements by Chinese railways in various parts of the country has increased the sale of locally-grown fruits. In addition, there is a certain amount of various classes of imported fresh fruits sold each season in the Shanghai market, which also serves to curtail the total demand for canned fruits.

In former years the military and naval forces of Great Britain and the United States, especially the latter, used to constitute a considerable outlet for imported canned fruits and vegetables, but their personnel has been gradually reduced, added to which the necessity for economy has resulted in the purchasing of local foodstuffs to an increasing extent.

Finally, it seems necessary to record that the plentiful supply of cheap servants, who prepare all foods, rules out any appeal to either foreign or Chinese households on the grounds of convenience or saving of labour effected by the use of canned fruits and vegetables, as in North America.

#### IMPORTS

As in the case of the local canning industry, there is no way of ascertaining the volume of business done in imported canned fruits, vegetables, etc., as they are not separately classified in the customs returns. It can be taken, however, that United States packers enjoy by far the largest percentage of the limited market in this territory for imported canned fruits, vegetables, ketchups, and pickles. In the case of certain types of sauces, English manufacturers are predominant, and the largest sales of imported jams go to one well-known Australian packer.

The successful domination of the imported canned fruit and vegetable trade in this market by American packers is generally attributed to their having become established with their own sales organizations many years ago, and to the widespread and continuous advertising which has since been carried out. During the Great War and for some years afterwards, the coastal cities of China went through a period of prosperity, which encouraged several of the larger American food-packing companies to establish their own offices in Shanghai. These firms, by maintaining their own godowns, were in a position to give prompt deliveries in small lots in a wide variety of products, and by extending liberal

credit terms, backed up by advertising, became strongly entrenched throughout the whole of the Chinese market.

In more recent years, while most of these American firms have withdrawn their own branches, the momentum given their products by the initial efforts put forward and the steady advertising since maintained, even on a small scale, has enabled the distributing houses handling American canned goods to continue dominating the field. Actually at the present time the bulk of the American canned vegetables and fruit lines selling here are the products of three packing companies in California, although there are a number of other brands attempting to compete for a share of the business.

### UNITED STATES EXPORTS

While the United States is the leading supplier of canned fruits and vegetables to this market, the actual volume of exports enjoyed by that country in this line is extremely small. Taking the official United States statistical returns for the latest two calendar years available, i.e., 1933, and 1934, the total United States exports, to the whole of China, of canned fruit lines similar to those produced in Canada, only amounted to 391,787 pounds valued at just over U.S.\$35,000 in 1933 and 462,516 pounds valued at U.S.\$40,719 in 1934. In the latter year cherries (160,930 pounds valued at U.S.\$15,671), peaches (151,839 pounds valued at U.S.\$10,510), and pears (81,031 pounds valued at U.S.\$6,476) were the principal items.

In canned vegetables the total shipments of lines comparable with those produced in Canada was 703,861 pounds valued at U.S.\$66,590 in 1933 and 853,069 pounds valued at U.S.\$83,767 in 1934. In 1934 asparagus represented in weight and value considerably over half the total—390,211 pounds valued at U.S.\$39,272 in 1933 and 444,187 pounds valued at U.S.\$49,674 in 1934.

Official Canadian figures show that the exports of canned fruits and vegetables to this market from the Dominion have been almost negligible. Canadian packers have on the whole been unable to compete in price with the long-established and consistently advertised products of United States firms.

### SIZES

Most of the canned fruit lines are sold in 2½-size tins, although some sales are also made in No. 1 size and 8-ounce tins; berries, such as loganberries, strawberries, etc., are invariably in No. 2 cans. Canned vegetables, however, are sold in various sizes owing to the number of brands on the market, and there appears to be no general standard.

### PRICES

The following gives a general idea of retail prices for imported and domestic canned fruits and vegetables being sold at the present time in the Shanghai market:—

*Cherries.*—American cherries are being retailed at prices ranging from as low as 30 cents per tin up to as high as 43 cents for special de luxe grades, in size 2½ cans.

*Plums.*—Imported plums are quoted at 30 cents to 33 cents for No. 2½ tins.

*Pears.*—These range from 30 cents to 40 cents for 2½-size tins.

*Peaches.*—Imported peaches, in 2½-size cans, sell from 27 cents to 36 cents.

*Berries.*—Imported strawberries sell from 30 cents to 36 cents, blackberries from 24 cents to 27 cents, one brand of blueberries sells at 33 cents, gooseberries at 30 cents to 36 cents, loganberries 25 cents to 27 cents, and raspberries from 30 cents to 33 cents, all in No. 2 tins.

*Asparagus.*—Californian white asparagus is available in the No. 1 size at anywhere from 44 cents up to 57 cents per tin according to brand and grade. Green asparagus is retailing at 43 cents for the most popular brands and asparagus tips for around 33 cents.

*Peas.*—Peas in No. 2 cans are retailing at from 18 cents to 24 cents, depending on grade.

*Tomatoes.*—These in the 2½-tin sell from 15 cents to 21 cents each.

*Sundries.*—The most popular brand of baked beans in tomato sauce is selling from 18 cents to 25 cents in 15- to 18-ounce cans; corn retails from 16 cents to 19 cents in the No. 2 tins; sliced carrots sell from 30 cents to 32 cents in the No. 2 tall tins; tomato juice in No. 2 tins anywhere from 7 cents to 13 cents.

The above retail quotations are merely approximate and subject to variation, depending on the class of retail establishment in which they are sold, those stores selling exclusively to the foreign resident population usually charging on an average at least 10 per cent more than departmental stores and other retailers whose clientele is almost entirely Chinese. Broadly speaking, the spread between the retail selling price and the price quoted by the importer to the retailer is 10 per cent. Actually the spread is slightly more, considering that on most foodstuff lines retailers have to allow a commission or "squeeze" of 5 per cent to the servants who purchase for individual households—in other words, the importer has to take this into account when calculating his profit—and even in cases where the housewives do their own shopping, the servants usually obtain a secret rebate from the retailers.

In order to arrive at the c.i.f. prices from the above, there should be deducted in the case of canned fruit approximately 60 per cent for customs duty (which includes the surcharges of 10 and 4 per cent), and in the case of canned vegetables 25 per cent plus the surcharges. Another 10 per cent should be deducted for the retailer's profit, and the resultant figure should give an idea of the selling price on a c.i.f. basis, inasmuch as the importer's or agent's selling commission is usually included in the c.i.f. price.

#### LINEs MOSTLY IN DEMAND

Dealing with the demand for individual canned fruits, canned peaches—U.S.\$10,510 in 1934—and cherries—U.S.\$15,671—constitute the leading items exported from the United States, partly because they are in popular demand at Chinese banquets. The small quantity of canned apples imported—U.S.\$662 in 1934—are sold mainly to confectionery and bakery establishments operating on modern lines.

In the case of canned vegetables, it will be observed that asparagus—U.S.\$49,674 in 1934—is by far the leading item in American exports. The explanation lies in the fact that, in addition to the demand among foreigners, asparagus is a popular delicacy in Chinese restaurants, where it is used as an ingredient with other foods. So far the limited production of locally canned asparagus is very inferior to the imported article.

Tomato juice has a very limited sale in certain foreign houses, hotels, and restaurants, where it is served as an alternative to cocktails, but there is little evidence to indicate that the demand is growing among the Chinese to any extent.

#### KETCHUPS, SAUCES, AND PICKLES

The total United States exports of ketchups to China in 1934 amounted to 123,603 pounds valued at U.S.\$14,026 as compared with 103,309 pounds valued at U.S.\$12,865 in 1933. The sale of American and other important ketchups is mainly confined to foreigners. While ketchup is quite popular among the Chinese, the native demand is almost entirely supplied by local production, which is carried on extensively all over China, the ketchup produced being sold at extremely low prices.

As far as the demand for other sauces, pickles, etc., is concerned, the total outlet is very limited and is already well catered to by a number of world-renowned brands, particularly British and American, which have been long established in this market.

Imported tomato ketchup retails at 21 cents to 34 cents per 14-ounce bottle, Worcestershire sauce at 42 cents to 78 cents per 10-ounce bottle, chili sauce from 24 cents to 33 cents for a 12-ounce bottle, and mayonnaise from 22 cents to 36 cents per  $\frac{1}{2}$ -pint bottle.

## JAMS AND JELLIES

## TARIFF

Imports of jam appear to be decreasing, the two main reasons being found in the tariff increases and exchange. Until 1930 the import duty on jam was 12½ per cent ad valorem, but it has been increased on three subsequent occasions and at present stands at 35 per cent, plus the 10 per cent and 4 per cent surcharges. A number of Chinese canning companies are now producing jams put up in 12-ounce tins and retailing at anywhere from 7 cents to 10 cents per tin.

## COMPETITION

The largest sale of imported jams is enjoyed by one famous Australian brand which offers the greatest competition to the domestic product. It is also put up in 12-ounce tins, cheap but of good appearance, with a bright wrapper showing whole fruits in attractive colours, and sells retail at 10 cents to 15 cents per tin, depending on the type of retailer selling it and the variety of jam. In many shops it is the only foreign brand now being handled owing to the increasing competition from the local industry. There are several English jams also on the market, which are for the most part put up in 16-ounce tins or glass jars, but few of these can compete successfully in price against the domestic or Australian brands as their retail prices range from 24 cents to 30 cents per 16-ounce tin or jar, the result being that the sale for high-class English jam is pretty well confined to the foreign population.

American packers also find great difficulty in offering sufficiently competitive prices for this market and exports to the whole of China of preserved fruits, jellies, and jams from the United States amounted in 1933 only to U.S.\$6,787 and in the following year had dropped to U.S.\$3,807.

There are a few brands of French and Italian jams on the Shanghai market, but it is believed that the small sales in these lines are confined to a few retailers in the French quarter of the city.

## PRICES

Reliable current c.i.f. quotations are not available, but those necessary to meet the retail prices referred to earlier can be estimated roughly by deducting from the latter the following: customs and handling charges 40 per cent, importer's commission or profit 5 per cent, retailer's profit 10 to 15 per cent. For example, the Australian brand of strawberry jam sells at 13½ cents per tin or \$9.72 per case of seventy-two tins. Deducting 65 per cent indicates a c.i.f. price of \$3.40 per case, or roughly \$0.57 per dozen.

## JELLY POWDERS

A small demand exists for jelly powders; one Canadian brand has succeeded in gaining a foothold. There is keen competition from British and American brands, which retail from 10 cents to 14 cents for the crystals and 12 cents to 17 cents per packet for the solid jellies.

## DISTRIBUTION

Imported canned fruits, vegetables, and allied lines referred to in this report are sold through a small number of import houses specializing in foreign food-stuffs. These firms usually represent packers on an exclusive agency basis, but as a rule accept responsibility for collection of accounts. In previous years some of these firms used to carry a certain amount of local stocks to fill orders from small customers, but lately most of this business has been done by the distributing agent accepting indents for specified amounts from the local dealers, the shipments being subsequently made direct by the exporter to the dealer or retailer,

as the case may be. In most cases drafts are usually drawn against the buyers, the terms granted being anywhere up to sixty days documents against payment, depending on the credit standing of the individual buyer.

In this connection the experience of most importers is that the credits among Chinese dealers are considered fair risks, but in the case of the Russian retail store proprietors some firms consider the credit risk too great to grant anything but cash-against-documents terms. On the other hand, the Russian establishments are reputed to be good channels through which to introduce new lines in Shanghai.

In addition to supplying dealers in Shanghai who act as wholesalers and resell to the interior, import houses also sell direct to certain clubs, hotels, and large retail shops.

Exporters desirous of obtaining further information on the products referred to in this report are invited to communicate with the Canadian Trade Commissioner at Shanghai.

MARKET FOR DRIED AND CURED FISH IN SOUTH AFRICA

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Cape Town, October 30, 1936.—South Africa offers a good market for dried and cured fish, the annual imports for the last four years varying from 2,500,000 pounds to over 3,000,000 pounds, and a value of £41,000 to £66,000.

Although Canada is one of the world's largest exporters of fishery products, little headway has been made in the South African market towards obtaining a share of the dried and cured fish business.

It is difficult to say just what proportion of the totals listed above is divided between herrings and smoked salmon. Other kinds of fish are of little importance. The largest demand, however, is undoubtedly for cured herrings in some form—that is dried herrings, smoked herrings, or salted herrings. Actually of these three divisions the largest demand is for smoked or kippered herrings. Smoked salmon has also a large sale, and the imports are considerable.

IMPORTS

The actual imports during 1935, compared with 1932, of dried and cured fish are as follows:—

	1935		1932	
	Total Lbs.	Value £	Total Lbs.	Value £
United Kingdom . . . . .	2,082,662	47,940	1,629,492	29,411
Holland . . . . .	748,870	10,001	736,324	8,020
Canada . . . . .	6,996	392	1,652	57
All other countries . . . . .	336,745	7,946	198,370	4,173

The best opportunity for importations from Canada would seem to be in salmon rather than in herrings, especially as it is understood that much of the salmon at present coming in from the United Kingdom is Canadian. On the other hand, according to Dominion statistics, the total exports of smoked salmon from Canada last year—that is for the fiscal year ending March, 1935—amounted to less than 20,000 pounds. From these figures it is apparent that the British Columbia industry is not well equipped for exporting smoked salmon. The alternative then is to endeavour to ship to South Africa pickled or cured salmon suitable for smoking locally; a recent shipment of smoked salmon from Canada was oversmoked. The local demand is for a light-smoked salmon, of from 10 to 12 pounds in weight per side, and bright red in colour.

The demand for fresh or frozen fish is comparatively small; the chief imports consist of fish imported from Portuguese East Africa. Frozen salmon is imported in small quantities during the Christmas season, but owing to the

fact that transshipment is necessary when imported from Vancouver, the handling of this commodity is always attended by considerable risk. Furthermore, the price of fresh frozen salmon is naturally high, which considerably restricts the demand.

The handling of fresh frozen fish, or of smoked or cured salmon, is in the hands of half a dozen firms throughout the Union. It is not a commodity that is usually handled by an agent, but rather one which involves direct correspondence with each separate account.

In Cape Town there are three well-known firms handling the above products; one at least of these has branches or connections throughout the Union. Durban and Port Elizabeth, the other two coast cities, have one firm each, selling this type of perishable commodity, and Johannesburg has several independent firms, all of whom would no doubt be interested if their confidence could be gained through receiving regular shipments in good condition.

## PARAFFIN AND OTHER WAXES IN THE WEST OF ENGLAND

L. H. AUSMAN, ACTING TRADE COMMISSIONER

Bristol, November 13, 1936.—In common with other localities, industries in the West of England use a considerable amount and a wide variety of mineral, vegetable, and animal waxes. While it is not possible to indicate all of the uses to which waxes are put, considerable quantities are used in the manufacture of candles and tapers, and in the following trades: paper, textile, leather, varnish, polish, and modelling. Sealing wax is also used in a large number of industries.

### PARAFFIN

Paraffin wax and scale, which are obtained in the refining of mineral oils, are the most common types of wax, and are imported and used in very large quantities. The grades generally required are fully refined, semi-refined, and scale, depending upon the purpose for which they are to be used and the amount of oil allowed to be present. White scale, which is chiefly used for the manufacture of candles, must contain less than 2 per cent of oil. Actually most of the scale imported for this purpose contains less than 1 per cent. Semi-refined paraffin wax is almost free from oil, and fully refined wax contains no oil. For some purposes such as the manufacture of waxed papers for wrapping food products a very high degree of refining is required, and the specifications are often equivalent to British Pharmacopoeia standard. The wax must be colourless, tasteless, and odourless.

### PRICES

Fully refined paraffin wax is being offered at the following prices, delivered:—

118°–120°	EMP	£21 to £22	per ton (2,240 lbs.)
125°–130°	EMP	£24 to £25	per ton (2,240 lbs.)
135°–150°	EMP	£28 to £30	per ton (2,240 lbs.)

White paraffin scale is quoted at from £13 to £14 per ton, depending on the melting point, which varies from about 118° to 123°. This price is c.i.f. United Kingdom ports, and when imported from foreign countries is subject to a duty of 10 per cent. Supplies from Empire sources meeting the requirements for preferential treatment are free of duty.

Although the prices mentioned here are current quotations, suppliers are generally prepared to consider counter offers and independent bids.

### SOURCES OF SUPPLY

There is a small amount of paraffin wax and scale produced in the United Kingdom, but it is, for the most part, imported chiefly from oil-producing and

refining countries. The United States is an important source of supply of both wax and scale; consignments arrive at Bristol Channel ports almost every week. Russia contributes substantial quantities of scale, and Roumania and some of the other Eastern European countries produce only wax in quantities available for export.

Some of the more important candle manufacturers in this country are controlled by well-known oil companies, who use these outlets to dispose of their surplus quantities of scale.

#### PACKING

Paraffin wax is usually packed in hundredweight bags containing eight 14-pound blocks. Scale is usually, and refined and semi-refined wax is sometimes, packed in barrels, the capacity varying from six to eight to the ton (2,240 pounds). The wax is poured into the barrels in liquid form and allowed to cool. The barrels are subsequently emptied either by breaking them or by melting the wax with a jet of steam.

#### OTHER WAXES

In addition to paraffin there are a number of other waxes used in varying quantities in the West of England. These include waxes of mineral, vegetable, and animal origin, although the term "wax" is used loosely for a group of substances which may, or may not, be true waxes. Some so-called waxes are merely fats or oils which contain glycerine, of which the true wax is free. Japan wax, for example, is actually a fat, and myrtle wax is chiefly so.

#### MINERAL WAXES

Ordinary paraffin wax is the basis of most polishes. However, as it has a comparatively low melting point and cools quickly, it does not possess the best polishing properties and it is necessary to add certain quantities of other mineral, vegetable, or animal waxes, according to formula depending upon the use for which the polish is intended.

The more important mineral waxes apart from paraffin are ozokerite and ceresin. The latter is actually a very high-quality paraffin wax, and is produced in the manufacture and refining of paraffin. Only a comparatively small percentage is produced during the process. It has a very high melting point and is worth approximately £100 per ton. Ozokerite is a soft, tough mineral wax which is used in the manufacture of various polishes for binding purposes.

#### VEGETABLE WAXES

Carnauba wax from the palm tree is a flint-like vegetable wax with an extremely high melting point. It is the most efficient polishing wax and runs in price as high as £200 per ton. Obviously too much of this wax cannot be used because it would make the polish too hard. On the other hand, owing to its price, it is often too sparingly used, even in the more expensive polishes.

Esparto or reed wax, obtained from esparto grass, is sometimes used as a substitute for carnauba.

Candelilla wax is another type of vegetable wax and is obtained from the candelilla, a Mexican plant.

#### ANIMAL WAXES

Beeswax is perhaps the best known animal wax, and it is used for a number of purposes such as the manufacture of church candles and where a soft binding wax is required in polishes. Specifications are generally for refined, guaranteed pure, yellow wax.

Other animal waxes include Chinese wax, which, like beeswax, is secreted by insects; wool wax from the surface of wool fibres; and spermaceti, a fatty substance obtained from the sperm whale.

## ECONOMIC CONDITIONS IN SCOTLAND

J. M. BOYER, ASSISTANT TRADE COMMISSIONER

Glasgow, November 17, 1936.—Scotland has made rapid progress in the past few months towards a state of trade and industrial prosperity. Employment statistics show that on August 24 last Scotland had 257,000 registered as unemployed as compared with 297,000 on the same date in 1935. This reduction of approximately 13 per cent in the number of unemployed gives a general indication of the extent of industrial improvement in recent months.

### SHIPBUILDING

Scottish shipbuilders are not as yet fully occupied, but there is every prospect that the aggregate tonnage of ships launched during 1936 will exceed that of any year since 1930. Apart from actual launchings, there is a large volume of orders on hand. Clyde shipyards received during the first nine months of this year orders for seventy-eight merchant vessels with a total tonnage of 417,869, and in addition they are working on about thirty warships. The Burntisland shipyards on the East Coast are also enjoying increased business.

### ENGINEERING AND CONTRACTING

Increased mercantile shipbuilding, the normal public works programs of cities and counties, and the Government's rearmaments activities, have all combined to produce great activity for the engineering and contracting trades. Engineering firms of all kinds—structural, marine, and general—are being kept busy, and many of them have orders for months ahead in connection with such projects as the machinery for the sister ship to the *Queen Mary*, and the project of widening and deepening the River Clyde, which is estimated to cost £1,000,000.

### IRON AND STEEL AND COAL

Steel production is reported as up to the full capacity of the various works and the demand for steel products the heaviest ever known in this country. Consequently the demand for pig iron is firm, and heavy steel scrap is being imported and used in increased proportions at the expense of pig iron.

The extra activity in this industry is due almost entirely to sales in the home market; export business remains at a standstill.

On the whole, the coal trade is scarcely satisfactory. While home demand is improving, as shown by an increased production of 197,500 tons for the third quarter as compared with last year, the decline in overseas shipments noted last year still persists.

### OTHER INDUSTRIES

The Greenock sugar refineries have been enjoying steady demand.

The distilling business has had an increased demand both from home and abroad during the past few months, nearly half of which increase is due to purchases by the United States. Highland distilleries, many of which have been idle for some years, are coming into production again.

The Border woollen industries still suffer from a lack of overseas orders and, unlike the heavy Scottish trades, have not benefited as yet from extra activity in the home market.

Competition with Calcutta continues to have a depressing effect on the Dundee jute trade.

The paper mills in the Edinburgh district are confidently expecting increased business, and the linoleum works in Kirkcaldy are working overtime and engaged in plant extensions. Linen factories in Fifeshire are not obtaining as much American business as they would like, and the home market is also quiet. Substantial shipments have been made, however, to British dominions.

## EXTERNAL TRADE OF PALESTINE IN 1935

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(One Palestinian pound (£P) is equal to £1)

Cairo, October 26, 1936.—Total imports into Palestine, which amounted to £P18,857,352 in 1935 as compared with £P15,665,769 in 1934, were composed of imports for home consumption (£P17,853,493 and £P15,152,781), imports in transit (£P481,957 and £P239,558), and imports of specie (£P521,900 and £P276,430), indicating a rise of £P3,191,583 in total imports, of £P2,700,712 in imports for home consumption, of £P242,401 in transit entries, and of £P248,470 in imports of specie.

Total exports, comprising exports of the country's produce (£P4,215,486 and £P3,217,562), exports in transit (£P481,959 and £P239,558), exports from bond (£P68,445 and £P49,047), re-exports of foreign goods (£P300,671 and £P283,946), and exports of specie (£P466,504 and £P850,260), reached £P5,533,065 in 1935 as against £P4,640,373 in 1934, disclosing an advance of £P1,276,448 in total exports, of £P997,924 in exports of the country's produce, of £P242,401 in transit exits, of £P19,398 in exports from bond, and of £P16,725 in re-exports, and a decline of £P383,756 in exports of specie.

## BALANCE OF TRADE

The excess of total imports over total exports amounted to £P13,324,287 in 1935 compared to £P11,025,396 in 1934, an increase of £P2,298,891, while the difference between imports for home consumption and exports of the country's produce passed from £P10,512,408 in 1934 to £P12,320,428 in 1935, representing a rise of £P1,808,020 in the deficit of the balance of trade proper.

The continued deficit in Palestine's balance of trade may be ascribed to steadily increasing population and the consequent rise in requirements from abroad for consumption and for industrial and building purposes. A good deal of the adverse balance is, however, compensated by the capital nature of much of the imports. In addition, the balance of payments, as a result of imports of capital, etc., is in a flourishing state.

## IMPORTS FOR HOME CONSUMPTION

## IMPORTS BY CLASSES OF COMMODITIES

Imports into Palestine under the main classes of commodities adopted in the official statistics of that country were distributed as follows in 1935 and 1934:—

	1935 £P	1934 £P	Increase £P
Food, drink and tobacco . . . . .	3,646,877	2,902,093	744,784
Raw materials, and articles mainly unmanufactured . . . . .	1,322,846	1,076,894	245,952
Articles wholly or mainly manufactured . . . . .	10,789,934	9,168,281	1,621,653
Miscellaneous and unclassified . . . . .	2,093,836	2,005,513	88,323
Total . . . . .	17,853,493	15,152,781	2,700,712

## IMPORTS BY COMMODITIES

The rise in imports (£P2,700,712) observed in 1935 is to be attributed largely to personal effects, implements, and machinery brought forward by immigrants upon their entry into the country, and to the extensive importation of building materials and house fittings. There were noticeable increases also in imports of seeds and nuts for expressing oil, cotton, silk, and woollen yarn for use in the manufacture of knitted wear, animals for slaughtering, dairy products,

fresh vegetables and fruits, industrial and agricultural machinery, wearing apparel, benzine, kerosene, and rubber tires and tubes.

#### PRINCIPAL IMPORTS

The principal commodities imported into Palestine during 1935 and 1934 were the following:—

Commodities	1935 £P	1934 £P
Total . . . . .	17,853,493	15,152,781
Rice . . . . .	193,204	125,628
Wheat . . . . .	117,428	321,802
Wheat flour . . . . .	348,950	232,220
Animals for slaughtering . . . . .	549,280	344,122
Butter . . . . .	191,353	125,613
Fish in brine, dry, salted, fresh and tinned . . . . .	173,564	141,719
Eggs . . . . .	138,209	105,633
Fruit, fresh . . . . .	204,235	162,969
Coffee . . . . .	79,969	58,082
Sugar . . . . .	206,829	150,805
Potatoes . . . . .	97,208	73,150
Coal . . . . .	91,502	55,807
Seeds, beans and nuts for expressing oils . . . . .	208,700	170,256
Cement . . . . .	288,968	267,624
Iron bars, angles, rods and girders . . . . .	614,437	520,604
Iron tubes, pipes and fittings thereof . . . . .	496,404	366,032
Sanitary ware . . . . .	130,199	177,999
Electric goods . . . . .	474,959	314,344
Agricultural machinery . . . . .	72,068	56,632
Industrial machinery . . . . .	991,972	966,749
Wood for building . . . . .	500,137	460,410
Wood for prepared citrus cases . . . . .	358,776	242,838
Plywood . . . . .	87,933	87,612
Cotton piece-goods . . . . .	529,242	520,574
Woollen tissues . . . . .	289,757	245,277
Silk tissues . . . . .	291,213	307,019
Apparel, all sorts . . . . .	749,581	583,870
Yarn, silk, cotton and woollen . . . . .	176,534	165,173
Drugs . . . . .	160,077	117,010
Kerosene . . . . .	199,494	154,711
Benzine . . . . .	275,209	206,257
Motor cars and motor trucks . . . . .	519,622	578,271
Parts and accessories of mechanically propelled vehicles . . . . .	130,306	102,363
Rubber tires and tubes . . . . .	86,011	65,417
Chemical fertilizers . . . . .	97,332	104,724
Government stores . . . . .	793,029	586,977
Military stores . . . . .	232,862	243,261
Iraq Petroleum Co. Stores . . . . .	203,196	305,850

#### IMPORTS BY COUNTRIES

In 1935 Great Britain continued to hold first place among Palestine's sources of supply, with 17·99 per cent of total imports, and was followed by Germany (12·30), the United States (8·40), Syria (7·34), Roumania (6·77), Poland (4·36), Belgium (4·02), Czechoslovakia (3·74), Japan (3·62), British possessions (3·47), Egypt (3·33), Italy (2·52), Austria (1·99), France (1·96), Turkey (1·90), Holland (1·52), Russia (1·31), Sweden (1·28), Iraq (1·23), Bulgaria (1·16), Hungary (1·14), Yugoslavia (1·13), Switzerland (0·98), Denmark (0·65), and other countries (5·89 per cent).

Except Denmark, France, Italy, and Turkey, all the above-mentioned countries' share of Palestine's import trade indicated an advance over 1934, as will be seen in the following table:—

Country	1935 £P	1934 £P
United Kingdom . . . . .	3,212,378	2,960,706
British possessions . . . . .	618,922	526,406
Austria . . . . .	356,098	348,157
Belgium . . . . .	718,596	620,468
Bulgaria . . . . .	206,382	148,818
Czechoslovakia . . . . .	667,536	514,210

*Imports into Palestine by Countries—Concluded*

Country	1935 £P	1934 £P
Denmark . . . . .	115,455	127,003
France . . . . .	350,103	417,601
Germany . . . . .	2,197,144	1,658,993
Holland . . . . .	272,136	247,228
Hungary . . . . .	202,825	115,410
Italy . . . . .	449,446	481,261
Poland . . . . .	778,789	475,375
Roumania . . . . .	1,208,204	953,343
Russia . . . . .	234,607	215,033
Sweden . . . . .	227,850	184,663
Switzerland . . . . .	175,309	168,275
Yugoslavia . . . . .	201,285	174,440
Egypt . . . . .	594,378	456,832
Japan . . . . .	645,695	593,552
Iraq . . . . .	219,776	180,452
Syria . . . . .	1,310,363	1,083,095
Turkey . . . . .	338,807	495,308
United States . . . . .	1,499,109	1,283,484
Other countries . . . . .	1,052,300	722,668
Total . . . . .	17,853,493	15,152,781

## EXPORTS

## EXPORTS BY CLASSES

Palestine's exports presented themselves as follows in 1935 and 1934:—

	1935 £P	1934 £P	Increase £P
Food, drink, and tobacco . . . . .	3,741,439	2,865,314	876,125
Raw materials, and articles mainly unmanufactured . . . . .	101,014	55,405	45,609
Articles wholly or mainly manufactured . . . . .	370,184	294,243	75,941
Miscellaneous and unclassified . . . . .	2,849	2,600	249
Total . . . . .	4,215,486	3,217,562	997,924

## EXPORTS BY COMMODITIES

Citrus fruits were mainly responsible for the advance in exports (£P997,-924). Exports of locally manufactured articles, particularly wearing apparel, stockings and socks, olive oil, soap, fruit juice and syrup, and artificial teeth were greater. The chief items of export in 1935 and 1934 included the following:—

*Exports Other than Manufactured Articles*

Commodity	1935 £P	1934 £P
Oranges . . . . .	3,130,960	2,430,018
Grape fruit . . . . .	375,965	220,224
Durrah . . . . .	14,792	4,734
Sesame . . . . .	16,827	8,455
Water melons . . . . .	30,869	30,003
Almonds . . . . .	2,278	1,584
Wool, raw . . . . .	1,961	1,088
Hides and skins, raw and dried . . . . .	48,066	22,110
Casings . . . . .	24,531	13,326

*Exports of Locally Manufactured Articles*

	1935 £P	1934 £P
Feeding cakes . . . . .	9,630	14,637
Cheese . . . . .	1,254	695
Confectionery . . . . .	7,117	1,489
Fruit juice and syrup . . . . .	9,145	6,751
Wines . . . . .	20,551	23,214
Olive oil . . . . .	32,787	18,687

*Exports of Locally Manufactured Articles—Concluded*

	1935 £P	1934 £P
Oils, edible . . . . .	23,808	35,978
Cement . . . . .	2,650	1,700
Aluminium manufactures . . . . .	2,665	2,053
Tin manufactures . . . . .	667	1,283
Cotton yarn and thread . . . . .	1,678	1,931
Cotton manufactures . . . . .	1,084	936
Stockings and socks . . . . .	11,095	8,920
Wearing apparel of all kinds . . . . .	63,459	38,124
Soap . . . . .	79,311	71,532
Paper and cardboard goods . . . . .	5,011	4,142
Beads and mother of pearl manufactures . . . . .	3,778	6,877
Leather handbags . . . . .	6,731	6,035
Artificial teeth . . . . .	33,762	28,585

## EXPORTS BY COUNTRIES

The countries of destination of Palestine's exports are detailed in the following table:—

Country	1935 £P	1934 £P	Percentage 1935
United Kingdom . . . . .	2,553,986	1,785,014	60.59
British possessions . . . . .	85,083	79,195	2.02
Belgium . . . . .	77,844	29,947	1.85
Denmark . . . . .	39,120	45,799	0.93
France . . . . .	89,769	29,552	2.13
Germany . . . . .	250,909	600,669	5.95
Holland . . . . .	185,438	77,481	4.40
Italy . . . . .	22,679	18,707	0.54
Norway . . . . .	64,186	29,892	1.52
Poland . . . . .	122,245	31,990	2.90
Roumania . . . . .	93,219	60,485	2.18
Sweden . . . . .	54,374	34,883	1.29
Egypt . . . . .	77,402	70,484	1.84
Syria . . . . .	302,988	222,643	7.19
United States . . . . .	15,855	30,667	0.37
Other countries . . . . .	181,389	70,154	4.30
Total . . . . .	4,215,486	3,217,562	100.00

It is to be observed that in 1935 about 60 per cent of Palestine's exports were shipped to Great Britain, while out of the countries named above only Denmark, Germany, and the United States showed lesser purchases from that country.

## BALANCE OF TRADE AND OF PAYMENTS

Although Palestine's export trade has been developing healthily in the past few years, the deficit of the balance of trade has increased steadily and attained a high level (£P12,320,428). It remains that the general situation at the end of 1935 was sound, as is indicated by the balance of payments detailed hereafter:—

Credit	£P1,000	Debit	£P1,000
Exports . . . . .	4,215	Imports . . . . .	17,853
Imports of capital by immigrants . . . . .	12,600	Export of capital . . . . .	500
Imports of capital . . . . .	2,500	Interest and amortization charges . . . . .	400
Government claims from investments abroad . . . . .	325	Foreign travel, freight insurance, etc. . . . .	250
Foreign issues and loans . . . . .	1,500	Remittances, and miscellaneous . . . . .	500
Zionist funds . . . . .	750		
Tourist trade . . . . .	1,000		
Miscellaneous . . . . .	1,000		
	23,890		19,503
		Balance . . . . .	4,387

With the exception of those of exports and imports, the figures in the above table are estimates.

## TRADE WITH CANADA

No details are available in the official statistics regarding Palestine's trade with Canada. Reference to the Condensed Preliminary Report on the Trade of Canada, 1935-36, issued by the Dominion Bureau of Statistics, shows that imports from Palestine into Canada are placed at \$59,313 and \$91,865 for the fiscal years ended March 31, 1936 and 1935 respectively, and Canadian exports to Palestine at \$274,156 and \$135,523. It follows that in 1935-36 imports from Palestine to Canada showed a decrease of \$32,552, Canadian exports to that country indicated an advance of \$138,633, while the balance of trade, favourable to Canada, denoted a progress of \$171,185, having passed from \$43,658 in 1934-35 to \$214,843 in 1935-36. Grapefruit, oranges, artificial teeth, brandy, and olive oil (edible) were the principal imports from Palestine in the 1936 fiscal year.

Principal exports from Canada to Palestine in the two fiscal years were as follows:—

Commodity	Fiscal Year ended March 31	
	1936	1935
Flour of wheat . . . . .	\$ 20,691	\$31,416
Pneumatic tire casings . . . . .	163,363	21,577
Inner tubes . . . . .	19,696	2,103
Other rubber manufactures . . . . .	4,369	2,536
Sardines . . . . .	10,298	24,230
Upper leather . . . . .	13,468	14,503
Artificial silk . . . . .	.....	3,238
Ploughs and parts . . . . .	6,788	4,994
Other farm implements . . . . .	1,678	2,011
Automobiles . . . . .	9,156	5,824
Electrical apparatus . . . . .	6,758	10,380

## TRADE PROSPECTS

The troubles which have occurred of late in Palestine had an adverse effect on the trade of the country. Many signs, however, point to the restoration of order and normal conditions, and great opportunities are in store for the import trade, particularly as regards building materials, industrial and agricultural machinery, and foodstuffs, for Palestine is still in the making.

## ITALIAN HEMP

J. C. DEPOCAS, ASSISTANT TRADE COMMISSIONER

(One hectare equals 2.147 acres; one metric quintal equals 220.46 pounds)

Milan, November 6, 1936.—Hemp is cultivated in many European countries, and in Japan, British India, and the United States. The Italian product is generally recognized as one of the best. The fibre attains great length and strength and is of a light glossy colour, eminently suitable for the best classes of twines and cords as well as for certain types of fabrics. The Russian type, which absorbs and retains tar better than the Italian type, is said to be better suited for cables.

## ITALIAN PRODUCTION

During 1935 the area sown under hemp covered 67,154 hectares—almost 85 per cent in the provinces of Campania and Emilia—an increase over 1934 of 6.2 per cent over the sown area and of 8.8 per cent over the productive and effective area. In 1925, the area under hemp was 111,500 hectares. The average yield is about 10 quintals to the hectare, but it may be that the 1936 yield will be less on account of adverse weather conditions.

During the first six months of 1935, exports of hemp, raw, combed, tow and waste, totalled 185,518 quintals as against 227,275 quintals for the cor-

responding period of 1934. In 1932, exports amounted to 303,980 quintals of raw hemp, 26,345 of combed hemp, and 107,768 quintals of tow, out of a total production of 555,400 quintals. In normal years about 40 per cent of the production is absorbed by the local industries, the balance, 40 to 70 per cent, remaining available for export.

The Italian hemp industry, which also comprises the flax industry, has a total capacity of about 500,000 quintals per annum and an average output of 380,000 quintals. Twist spindles amount to 25,000 and looms to 7,800, and of 125,000 spindles, some 1,500 are devoted to flax. About 80 per cent of the output is absorbed by internal consumption—that is, about 65,000 quintals of string, 65,000 to 80,000 of cordage, 25,000 of bootmakers' thread, and about 125,000 of other threads and tissues.

#### CLASSIFICATION

There used to be several classifications of hemp, some corresponding to the provinces where it was grown or the centres where it was marketed, and others corresponding to the actual state of the hemp as and when sold. In addition to these, each of the principal markets had its own particular classification. In recent years, however, the Government has, by successive steps, taken control of the production and distribution of hemp and has simplified matters by establishing a standard classification for the whole of Italy which, however, has not the descriptiveness of those which have been discarded. This new classification is on file at the Department of Trade and Commerce, Ottawa, details of which may be obtained on application by interested Canadian firms.

#### STATE CONTROL

During the last decade the Italian Government has always exercised a certain control over the production and distribution of hemp. The *Federcanapa* (Federazione dei Consorzi per la difesa della canapicoltura) is now the only body authorized to effect transactions between Italians, or between Italians and foreign buyers. Exports to any country have been permissible as from November 11, 1936.

### NEW YORK MARKET FOR FISH SPECIALTIES

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

New York, November 17, 1936.—High transportation costs render the New York market unprofitable to Canadian shippers of the more common types of salt-water fish. During the winter season, however, especially from November 15 to the Christmas holidays, there is an active interest in Canadian sources of supply of specialties, such as scallops, smelts, and eels.

#### SCALLOPS

The domestic supply of sea scallops for the New York market is obtained from waters adjacent to Long Island and Massachusetts. The resulting dependence for supplies on the more northern areas is reflected therefore, in some degree, in the firm prices prevailing on the New York market during the winter season. Canadian scallops, which enter the United States duty free, form an important supplement to domestic supplies and find their major market in Boston. New York, while receiving shipments direct from Canada, also purchase their requirements of Canadian scallops through Boston dealers. Direct shipments are usually received on open account, the price basis being f.o.b. New York.

## PRICES

This season's price for fresh sea scallops is about \$2 to \$2.25 per 9 pounds and \$2.15 to \$2.25 for frozen sea scallops delivered Fulton Fish Market, New York. Native Japanese frozen sea scallops are offered at \$1.65 to \$1.80 per gallon, according to size.

Canadian shippers may estimate the f.a.s. Yarmouth, Nova Scotia, price by deducting from the above wholesale values \$2.40 per 100 pounds, shipping charges for transportation by boat from Yarmouth to New York; 25 cents per package, New York trucking charges; and 12½ per cent commission on selling price.

## PACKING

Domestic supplies taken from boatside are handled in 3- to 4-gallon bags from which they are redistributed by the wholesale dealers. Canadian scallops are shipped to the New York market in kegs. Dealers consider this mode of packing unsatisfactory as it does not insure sufficiently low temperatures in transit, and the product usually deteriorates by the time it arrives on the New York market. It is recommended by dealers that shipments be made in 5-gallon tins packed in ice. It is believed that, as a result, the better quality of sea scallops would offset any loss which may be occasioned by the more bulky method of transport.

## SMELTS

Canadian smelts find a steady market in New York from September to May, though during the few weeks preceding Christmas the demand is sufficiently strong to permit the sale of No. 2 grade smelts which on other occasions are unacceptable on the New York market. During the pre-holiday period, the New York market can absorb from eight to twelve cars of smelts of various grades a week.

## PRICES

Smelts are sold under three grades: Extras, which allow 8 fish to the pound; No. 1's, with 12 to 14 fish per pound; and No. 2's, with 15 or more fish per pound. As previously suggested, there is a steady market for Extras and No. 1's, while the period for the sale of No. 2's is limited.

Fresh smelts are now being quoted on the New York wholesale market at from 18 to 25 cents for Extras, 10 to 15 cents for No. 1's, and 7 to 10 cents for No. 2's. These prices represent values for smelts that have arrived on this market in prime condition.

Artificially frozen smelts are being quoted on the Fulton Wholesale Fish Market at 20 cents for Extras, 13 cents for No. 1's, and 6 to 8 cents for No. 2's.

No prices are available for natural-frozen smelts, although this class of fish is preferred to the artificially frozen smelts and usually commands a somewhat higher price, averaging throughout the season about 12 cents for No. 1's.

All shipments to New York are received on open account. Wholesalers deduct varying amounts for their services, ranging from 12½ per cent upward.

## PACKING

New York wholesale dealers in Canadian smelts would like to see an improvement in the condition in which many of the fresh smelt shipments arrive on this market from Nova Scotia and Prince Edward Island. It is stated that the smelts are too tightly packed in 150- to 160-pound barrels, and without sufficient means for cooling, they are usually heated by the time the barrels are opened in New York. To counteract this condition, dealers have recommended that Canadian shippers place a long strip of ice in the centre of the barrels, with a layer of crushed ice at the bottom, and a thorough mixture of

ice with the fish during the course of packing. Finally, just prior to shipment, it is suggested that the barrel be filled with ice cold water and the head of the barrel placed in position. Care should be taken to use fresh water only as salt water dissolves the ice and draws the blood from the fish.

The smelts which have been shipped to the New York market packed in crushed ice in boxes of 25—35—40 pounds have proved very satisfactory. These have commanded prices which were listed in the preceding paragraphs of the report, whereas smelts of poorer quality have been thrown on the market for whatever prices they can obtain.

#### DISTRIBUTION

While it is true that New York is the chief market for smelts, other markets such as Boston, Baltimore, Philadelphia, and to a lesser extent the cities of the mid-Western States, handle certain quantities and should not be overlooked by the Canadian shippers.

#### EELS

The market for eels is subject to a number of influences which renders it a difficult one to analyze. However, it may be said that up to December 21 there is a demand for Canadian dead eels preferably from 1 to 2 pounds in weight, although  $\frac{3}{4}$ - to 1-pound eels can be sold. The eels are intended for the Italian trade, where consumption is limited to the holiday season, after which period the eels can be disposed of only at lower prices on the general market. Pre-Christmas prices for eels of  $\frac{3}{4}$ - to 2-pounds varies from 8 cents to 10 cents and sometimes 12 cents per pound delivered New York, according to size and quality.

Live eels from Quebec are usually shipped in tanks on canal boats, though the period of shipment is limited by the freezing of the canals. Dead eels are packed around a central cube of ice in barrels. Dealers recommend that shippers notify them well in advance of anticipated shipments, thereby enabling the former to make adequate selling arrangements. It is also suggested that the net weight of eels in each barrel be clearly specified on the barrel or in the accompanying invoice.

### UNITED STATES WHEAT OUTLOOK FOR 1937

W. D. WALLACE, NEW YORK OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, November 24, 1936.—The Bureau of Agricultural Economics of the Department of Agriculture at Washington in a recent report predicted, if near-normal yields are obtained on prospective acreage, that a wheat crop in excess of domestic needs will be produced in 1937 and that prices will decline toward an export basis. It is likely that the 1937 wheat acreage will be as large as that of 1936, the second largest on record. If the production in 1937-38 is again small, the prices of wheat may remain at high levels. Total supplies of wheat in the United States for the 1936-37 season are large enough for the usual domestic requirements, but supplies of hard red spring wheat and durum wheat are short. The United States imports of wheat are expected to be lower in 1936-37 than in the 1935-36 period, as mills that ordinarily use spring wheat will take larger quantities of domestic hard winter wheat and white wheat.

#### DOMESTIC PROSPECTS FOR 1936-37

##### SUPPLIES

The report indicates that the domestic wheat supplies in the 1936-37 season will more than take care of usual domestic requirements of soft red, white,

and hard red winter wheat, but the supplies of hard red spring and durum wheat will again be below the normal minimum milling needs of this country. The following table shows the preliminary estimates of prospective supplies of wheat for 1936-37, together with the supply and distribution for 1935-36:—

1935-36	Hard Red	Soft Red	Hard Red			Total
	Winter	Winter	Spring	Durum	White	
	Figures in Millions of Bushels					
Stocks, July 1 . . . . .	67	32	26	5	16	146
Production . . . . .	203	204	107	24	85	623
Imports . . . . .	...	...	31	4	...	35
Total supply . . . . .	270	236	164	33	101	804
Exports <sup>1</sup> . . . . .	3	...	...	...	4	7
Disappearance . . . . .	217	209	129	25	80	660
1936-37						
Stocks, July 1 . . . . .	50	27	35	8	17	137
Production <sup>2</sup> . . . . .	260	207	52	9	99	627
Total supply <sup>3</sup> . . . . .	310	234	87	17	116	764

<sup>1</sup> Include flour in terms of wheat. <sup>2</sup> October estimate. <sup>3</sup> Without imports.

The excess of hard red winter wheat over average requirements, and an increased use of soft red and white wheats in bread flour, will partially take care of the shortage of hard red spring wheat. This year's crop of hard red spring and durum wheats was of better quality than last year's crop; however, due to the shrivelled condition of the crops they are still below normal in milling yields. It is assumed that with a minimum utilization of 20,000,000 bushels, and with a minimum carry-over of 5,000,000 bushels, there will be a deficit of about 8,000,000 bushels of durum wheat for the year.

The domestic utilization for the 1936-37 period is placed at 660,000,000 bushels. It is expected that exports will be between 10,000,000 and 15,000,000 bushels, chiefly from the Pacific Northwest, compared with 7,000,000 bushels for the 1935-36 season. If the prospective deficit of hard red spring wheat and durum wheat for milling purposes is taken care of by imports, and imports of "wheat unfit for human consumption" are somewhat smaller than last year's 9,000,000 bushels, total net imports would reach approximately 25,000,000 bushels compared with 28,000,000 bushels last year. Then the estimated carry-over of wheat would be placed at about 130,000,000 bushels on July 1, 1937.

### PRICES

As the short supplies of hard red spring and durum wheats will again be supplemented by imports from Canada, the price of these two classes during the 1936-37 period will be largely influenced by the conditions that affect Canadian prices. The other classes of wheat will be affected but to a much less degree. The price of hard red winter wheat should benefit most because such wheat can be substituted for hard red spring wheat, whereas only limited quantities of soft wheats can be used in place of hard red spring wheat in the making of flour for commercial bread baking. However, the prices of soft wheat will also benefit but to a less extent by the shortage of hard wheat.

### DOMESTIC PROSPECTS FOR 1937-38

#### PRODUCTION

The number of acres seeded to wheat in the United States in 1936 was the second largest on record. With sufficient moisture for seeding and germination over nearly all the winter wheat area, and with higher prices at seeding time last fall, it appears that the 1937 wheat acreage will be as large as that of 1936. If average yields are obtained on such an acreage, and unless growing conditions are so unfavourable as to reduce yields 25 per cent or more below average, the 1937 production will be far in excess of average domestic utilization.

However, for the long-time period there can be little doubt that yields will approximate the average of past years and that present acreage will produce, on the average, quantities considerably in excess of usual domestic utilization. If the 1936 total of 74,500,000 acres is maintained, average (1925-34) yields (11.8 bushels per seeded acreage) would result in a production of 880,000,000 bushels, which is about 225,000,000 bushels greater than the United States annual domestic disappearance. The average acreage in the 1925-33 period was 66,850,000.

#### PRICES

If the winter wheat crop gives promise of average or nearly average yields at the spring wheat seeding time, prices for the 1937 crop may be expected to be materially lower than during the past three years when production was less than domestic utilization. If, on the other hand, the winter wheat crop appears to be headed for the fifth year of low yields, then the prices will probably be somewhat comparable to those of the current season.

The following table shows the average annual prices of wheat at Liverpool and at important domestic markets for the 1923-24 to 1927-28 period, and prices for the last four years:—

	Average 1923-24 to 1927-28	1932-33	1933-34	1934-35	1935-36
		Figures in Cents per Bushel			
Liverpool parcels . . . . .	156.0	53.8	68.2	80.6	90.0
Kansas City No. 2 hard winter . . . . .	134.7	50.9	88.5	98.1	105.1
Minneapolis No. 1 dark Northern spring . . . . .	147.8	60.8	91.3	116.4	126.0
Minneapolis No. 2 hard amber durum . . . . .	138.4	58.4	103.2	137.7	112.8
St. Louis No. 2 red winter . . . . .	144.4	55.2	94.3	93.9	94.9
Portland No. 1 soft white . . . . .	135.2	52.1	75.4	83.9	82.9

During the 1923-24 to 1927-28 period the United States was exporting wheat and had not accumulated large surpluses. In the last three years this country has been either on a domestic or import basis. Prices of No. 1 amber durum at Minneapolis (prices adjusted for changing price level) averaged 47 cents higher in the last three crop years relative to Liverpool than it did in the five years ended 1927-28. No. 1 dark Northern spring at Minneapolis and No. 2 hard winter at Kansas City averaged 34 and 31 cents higher, respectively. No. 2 hard winter at St. Louis and No. 1 soft white at Portland averaged 22 cents and 16 cents respectively higher.

Should the United States produce a surplus large enough to place this country on an export basis in 1937-38, and if production should be normally distributed so that there would not be a shortage in any one class of wheat, it is reasonable to assume that more nearly normal price relationships would follow.

### WHEAT IMPORT CONDITIONS IN FRANCE

J. P. MANION, ASSISTANT COMMERCIAL ATTACHÉ

Paris, November 10, 1936.—In *Commercial Intelligence Journal* No. 1706 (October 10, 1936) a report on "Wheat and Flour Trade Regulation in France" was published. This was an analysis of the new law instituting a National Wheat Office, but, as was stated, the regulations affecting the importation of wheat into France had not yet been promulgated at the time of this report.

However, the French *Journal Officiel* of November 3 published a decree describing the conditions under which an exporter of wheat or its derivatives may obtain an authorization to import compensating amounts of wheat.

#### REGULATIONS

The regulations under this decree are, briefly, as follows:—

Only flour millers and producers of other derivatives such as semolinas, alimentary pastes, and hard tack may export wheat or its products with the intent

to import compensating amounts of foreign wheat. Import licences based on export are not transferable, but although the exporter must take delivery himself of the compensating imports, the law does not prevent him from using the services of a broker in his foreign purchases. The regulation should not disturb the trade unduly, except that whoever wishes to import must previously find a market outside France for his own products. This can probably be done through intermediaries who have already exploited foreign markets.

The only products which may be exported against compensatory future imports are wheat coming under the denomination of fit for human consumption, as already defined under the new law; flours, shorts and brans; semolinas, gruels and others of its sub-products; alimentary pastes, hard tack, and other biscuits made from hard or Durum wheats.

#### COMPENSATORY EXPORTS OF WHEAT PRODUCTS

As far as wheat products are concerned, any person wishing to import foreign wheat must previously export an equivalent quantity of derivatives of wheat in any one of certain combinations.

In the case of hard wheats (Durum wheat, and not what is known in Canada as hard wheat) it is possible to place the brans in a customs warehouse and pay the duty on entry into France, in which case the brans need not be exported.

The Wheat Office may fix quotas or proportions for each mill beyond which they may not import wheat.

The present decree covers only the present crop year. Export licences under its terms will only be issued up to July 31, 1937, although compensating imports will naturally be allowed to enter until exhaustion of the licences granted.

#### COMPENSATORY EXPORTS OF WHEAT

The decree of November 3 did not fix the conditions under which wheat in cereal form could be exported. This, however, was done by a decree of November 7 which fixed the ratio at 127 quintals of domestic wheat to be exported against 100 quintals of future imports of foreign wheat.

#### CUSTOMS ZONES

For the purpose of prior exportation and compensating import, the customs ports of France are divided into three zones and both operations must take place through a port in the identical zone. Roughly, the ports are Mediterranean and Spanish, Atlantic, and Belgian and Rhenish.

#### EFFECT OF NEW LAW

As far as can be ascertained, the present law, although presenting stricter formalities, will not affect the import trade to any greater extent than did the former system of temporary admission of wheat.

#### MONOPOLY

On November 5 a decree was issued stating that the National Wheat Office held the monopoly of the importation and exportation of wheat or its derivatives. This monopoly will be exercised by means of import and export licences; that is to say, the monopoly is one of approval of the operations of private traders.

#### DRAWBACK OF DUTY

A decree of November 7 fixed the drawback of duty to be allowed on compensated imports of wheat at 81.20 francs per 100 kilograms. Since the duty is 83.20 francs, this means that the actual charge against imports is 2 francs per 100 kilograms (about  $2\frac{1}{2}$  cents per bushel) plus the usual import tax of 2 per cent of the duty-paid value.

## MIDDLE EAST MARKET FOR ASBESTOS FIBRE

B. C. BUTLER, ACTING TRADE COMMISSIONER

(All values are in Canadian currency)

Singapore, November 1, 1936.—Imports of asbestos fibre into the whole Middle East territory, which comprises British Malaya, the Netherlands Indies, and Siam total only about 40 tons annually. All these countries are essentially agricultural rather than industrial and the applications for asbestos fibre are consequently limited.

### BRITISH MALAYA

The Straits Settlements ports, Singapore and Penang, especially the former, are large shipping centres and there is a certain market for asbestos for refitting ships. However, even this is small in comparison with the number of ships that pass through the ports for the reason that most ships have such major repairs done at their home ports, and the ones that are repaired at Singapore or Penang dockyards are usually small coastal steamers. The actual amount of asbestos fibre used by the Singapore Harbour Board so far during the present year is 50 pounds. In Malaya, tin mining constitutes the largest industrial outlet for asbestos, and this too is restricted by the extensive use of electricity in the operation of dredges and other mining equipment. It is estimated that 60 per cent of the dredges are electrically driven, 10 per cent Diesel electric, and the balance steam.

### NETHERLANDS INDIES

Dry docks and ship repairing companies are located at Batavia and Soerabaya, but since most of the Dutch ships operating from Netherlands Indian ports are Diesel-engined the use for asbestos is restricted.

Probably the largest outlet in Netherlands India, outside of the usual packing for steam engines, is for the manufacture of asbestos cement sheets. These are used in large quantities for ceiling and roof construction throughout all these countries, but only in Netherlands India is there an industry, even though small, for their manufacture. The largest factory estimates its requirements at about 90,000 kilograms annually, but this figure seems an over-estimate in view of the total imports in 1934 of only 14,500 kilograms into the whole country. They buy their supplies from Rhodesia and Russia. The latter source is the cheaper, but the grading is not dependable. Quicker deliveries are possible from Rhodesia, and moreover the manufacturers can use a Dutch shipping line for transporting the raw material, and this is a decided advantage when tendering for Government business.

### COMPETITIVE PRICES

The last quotations from Rhodesia, at the end of 1935, for No. 3 and No. 4 grades, the ones required, were £27 12s. 5d. and £15 13s. 3d., c.i.f. Soerabaya, per ton of 1,000 kilograms. Purchasing 50 per cent of each grade with each order an average price of about £21 applies.

The Rhodesian grades, Nos. 3 and 4, were found roughly to correspond to Canadian grades 1 and 2 respectively. Canadian prices on these latter grades were fairly competitive although ocean freights were all out of proportion. If the freight rate could be reduced, there would be a definite, though small, opening for Canadian supplies. It was found that the freight rates from Canada, inland and ocean, amounted to about 50 per cent of the f.o.b. prices on grade No. 1, and equal to the price of grade No. 2. Despite this, Canadian prices were slightly below Rhodesian, but they were not sufficiently low to offset the advantages mentioned above in dealing with Rhodesia. To be of

interest, Canadian prices would have to be from \$10 to \$15 per 1,000 kilograms below Rhodesian.

Two other, though much smaller firms, were also investigating the prospects of manufacturing asbestos cement plates a short time ago, but neither could take anything like carload quantities. They were in the experimental stage and were interested in one- or two-ton lots only.

It was reported that the Netherlands Indies Government were considering imposing a restriction on the importation of asbestos cement sheets in order to foster the domestic manufacturing industry. However, no definite steps in that direction have been taken.

### SIAM

The market in Siam for asbestos fibres appears to be somewhat larger than in the other two countries, totalling some 24 tons in 1935-36. Ship repairs at the port of Bangkok are of a minor nature, but the growing tin industry, in which steam plant is used to some extent, absorbs small quantities. Moreover, a large cement factory in Bangkok has started the manufacture of asbestos cement boards.

### COMPETITION

In all parts of the territory the best-known lines are those of Dick's Asbestos Co. Ltd. and Bell's Asbestos Ltd., both of England. These two manufacturers are represented by the largest engineering concerns and Bell's maintain their own sales office in Singapore. The fibre sales of these firms are not large, but they do a fairly large turnover in manufactured lines such as packing, lagging, gaskets, etc.

### IMPORT STATISTICS

British Malaya's imports of crude asbestos are unimportant, valued at less than Can.\$350 in 1935, although they were more than double that value in the first half of 1936. While the market is still small, imports appear to be increasing.

As stated in the foregoing remarks, there is quite a big sale for asbestos cement sheets in these markets. British Malaya's imports are valued at about \$120,000 annually. Imports in the first half of this year under this heading were 2,424 tons valued at \$88,780 (S\$150,473).

Netherlands Indies statistics are divided, as they are recorded in Government returns, between Java and Madura and the Outer Provinces. Imports of crude asbestos into the two sections combined are small, totalling in value only \$2,639 in 1934.

Asbestos cement boards are an important item, imports into the whole territory totalling in value Can.\$215,896, \$254,359, and \$123,538 in the years 1932, 1933, and 1934 respectively. It will be noted that imports under this heading fell by 50 per cent in 1934 as compared with 1933.

Siamese official statistics are for the Buddhist year, April 1 to March 31. The quantity of asbestos fibre imported in 1934-35 and 1935-36 was about 40 per cent more than in 1933-34. The value in 1934-35 was double that of the year previous but in 1935-36 it fell again to about \$5,200 (Canadian).

Imports of asbestos cement boards have quadrupled in quantity and by one-third in value in the three years reviewed. Imports in 1935-36 were valued at over \$13,000 (Canadian).

"Asbestos manufactures" showed an unusually large increase in 1935-36 to a total of \$9,025, probably partly due to the inclusion of new items under this heading.

## MATCH INDUSTRY AND TRADE OF JAPAN

P. V. McLANE, ACTING TRADE COMMISSIONER

(For purposes of comparison the average rate of the yen in 1933 was 28 cents, and in 1935, 29 cents Canadian funds)

Kobe, Japan, November 11, 1936.—The Japanese match industry was started in a small way some forty years ago; the technique of the industry was learned in France. After a few years Japan was practically self-sufficient and had begun exporting in a small way. No conspicuous success was achieved, however, until the world war. The year 1919 witnessed the peak of development with an output totalling some 518,738,000 dozen matches valued at 39,652,000 yen. Competition from the European producers of matches, principally Sweden, in the following year, combined with the establishment of higher duties in some export markets, mainly India, resulted in output falling to 20,711,000 dozen safety matches valued at 8,063,000 yen in 1933.

The first match factory was started in the vicinity of Tokyo. After a few years, however, Osaka and Hyogo prefectures, because of relatively larger supplies of low-priced labour and better export facilities, became the chief centres of the industry, Osaka making ordinary matches and Kobe concentrating principally on the production of safety matches. When in 1922 an edict prohibited the production of all but safety matches, the centre of production shifted naturally to the Hyogo district, with the result that out of a total of eighty-nine match factories listed in 1933, fifty-one were located in Hyogo prefecture. This industry is based to a great extent on highly efficient handicraft with wages paid largely on a piece-work basis and with a ratio of one male to three female operatives.

### EXPORTS

The first record of the exportation of matches was in 1878, when they amounted to some 20,000 yen. Exports reached their peak in 1919 and have fallen in value since that time. In 1935 the exports were valued at 3,209,449 yen, finding their main markets in Hongkong (1,565,517 yen); United States (300,728 yen); Straits Settlements (501,085 yen); Kwangtung Province (111,678 yen); British India (105,139 yen); Philippine Islands (88,682 yen); Kenya, Uganda and Tanganyika (70,317 yen); Aden (69,377 yen); Dutch India (60,267 yen); Hawaii (58,046 yen); and Canada (4,580 yen).

### CONTROL OF EXPORTS

The selling price of matches varies according to trade marks, shapes, and sizes, and also according to type of packing. Generally speaking, however, they conform more or less and have been increasing slightly during the last year after a previous weak tendency. The industry is controlled by the Nippon Match Manufacturers' Association, which was formed in December, 1932, and has functioned effectively since that time, although the association met with many obstacles for some time after its organization. Under a Department of Commerce and Industry ordinance, the association has recently begun the inspection of matches destined for domestic consumption, having previously inspected exports only. The latter control is buttressed by a law placing all manufacturers under the control of the association and providing the association with authority to inspect all output, to control the amount to be produced, and generally to supervise the industry.

### WOOD FOR MATCH SPLINTS

The woods in the production of match splints for use in the industry are normally aspen and "dorayanaghi" from Hokkaido and Karafuto. When sup-

plies are insufficient, the industry turns to cottonwood from the West Coast of North America. Attempts have been made to interest the match producers in Canadian white pine and aspen, but prices are so far out of line that no business has been possible. White pine was also judged unsuitable for the type of match sticks required because of its hard grain. At present the current quotation on Canadian aspen would have to be reduced at least \$7 a 1,000 to become competitive.

Canadian cottonwood logs are suitable for this market, and have been exported in previous years, but no imports were recorded in 1935. One difficulty appears to be the inability of Canadian producers to ship according to the requirements of the market. These requirements are new-cut, close-grain logs with the bark left on.

Chief demand centres on logs with a top diameter of 15 inches or less, from 10 to 20 feet in length. Logs of over 20 inches top diameter are definitely not wanted. The best match wood is obtained from the outer part of the log, and the whiter this wood and the larger the quantity, the more advantageous it is to the match manufacturer. Old-cut logs usually become black at the edges, and logs with bark off also become discoloured. It is therefore of the utmost importance that care be taken to provide logs according to these specifications.

## STAPLE FIBRE INDUSTRY IN JAPAN

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

Tokyo, October 28, 1936.—The production of staple fibre on a commercial basis was begun in Japan in 1929, when two of the leading rayon producers began the marketing of this product. Other rayon producers took it up, particularly from 1934 when over-production in rayon and cotton required restriction of operation in these textiles. The easy adaptability of textile mills from cotton, wool, silk and hemp to staple fibre inclined these mills towards expansion of their activities into this newer field and thus utilize idle spindles to spin staple fibre.

This tendency to substitution has been accelerated by a new and recent development. The imposition in Australia of higher duties upon the entry of textiles from Japan induced this latter country to adopt a trade policy whereby imports from Australia, particularly wool, were restricted and thus directed their attention towards the production of staple fibre as a partial substitute for wool. This tendency has been all the more marked because of official encouragement of expansion projects in the staple fibre industry.

### DEVELOPMENT OF PRODUCTION

As an indication of the development of this industry, the production of staple fibre in Japan, which, according to a textile research organization, was estimated at about 500 metric tons in 1933, had risen to over 2,000 metric tons in 1934, and to nearly 7,000 metric tons in 1935, ranking third to Italy and Germany in world production.

As a result of the added stimulus the outcome of conditions outlined above, the daily productive capacity of staple fibre, which in June, 1936, amounted to over 75 metric tons, is expected to increase to some 125 metric tons by the end of the year.

The Ministry of Commerce and Industry is encouraging the promotion of this industry not only to avoid the necessity of importing wool from Australia, but also with the view of becoming as independent as possible of foreign sources of supply and of thus effecting savings in international payments. It is thus devoting thought to the exploitation of home resources for the production of

rayon pulp, as pulp is the basic material for the staple fibre industry, and supplies in Japan are at present limited.

#### NEW OPENINGS FOR USE OF PULP

It may therefore be seen that the expansion of the staple fibre industry opens up new opportunities for the use of pulp. If, therefore, the question of the supply of pulp can be satisfactorily solved, especially from home sources, it may be expected that the staple fibre manufacturing schemes now in contemplation, and which are fairly extensive, will materialize.

Prospects are encouraging not only in the mixing of staple fibre with and as a substitute for wool, but also in the export opportunities for staple fibre resulting from low costs of production in Japan as compared with those of other producing countries.

### MINERAL PRODUCTION AND TRADE OF JAPAN

P. V. McLANE, ACTING TRADE COMMISSIONER

(For purposes of comparison the average rate of the yen in 1934 was 29·575 cents, and in 1935, 29 cents Canadian funds)

#### PRODUCTION

Kobe, Japan, October 23, 1936—The Japanese mining industry has been very active during the last few years and has recorded an ever-increasing output. According to the latest figures, as released by the Department of Industry and Commerce, production was valued at 504,419,000 yen in 1935 as compared with 432,308,000 yen for the previous year. Higher prices for many of the metals were responsible in part for the increase. At the same time, however, quantity increases were evident in the majority of items. The increased price of gold brought into production lower-grade mines and made profitable the treatment of lower-grade ores. Silver also increased much more in value than in volume. Copper increased only very slightly in volume, but the higher price made the output more valuable. Lead and zinc had much the same results. Tin and iron pyrites, on the other hand, made substantial gains both in volume and output, and sulphur, which had the greatest production increase, did so in spite of a price decline. Appended is a table showing values of the more important minerals produced in 1935 and 1934:—

	1935 Yen	1934 Yen
Total . . . . .	504,419,000	432,308,000
Gold . . . . .	57,309,701	45,041,603
Silver . . . . .	17,917,243	11,039,296
Copper . . . . .	52,585,871	46,746,330
Lead . . . . .	1,864,235	1,415,177
Bismuth . . . . .	330,160	376,062
Tin . . . . .	8,073,038	5,788,608
Zinc . . . . .	10,632,236	9,516,702
Pig iron . . . . .	17,540,993	15,039,962
Alloy iron . . . . .	6,549,922	3,365,577
Steel . . . . .	17,476,784	13,240,306
Pyrites . . . . .	13,423,086	10,733,989
Ferro-chromium ore . . . . .	1,405,273	1,005,710
Manganese dioxide . . . . .	582,452	336,366
Manganese . . . . .	788,219	572,524
Arsenic . . . . .	506,683	322,792
Phosphate rock . . . . .	1,158,372	626,765
Coal . . . . .	270,745,616	246,169,754
Crude petroleum . . . . .	11,985,514	9,429,848
Natural gas . . . . .	696,924	785,770
Sulphur . . . . .	10,455,706	907,295
Sulphuric acid . . . . .	1,684,238	1,068,993
Copper sulphate . . . . .	699,429	699,429
Selenium . . . . .	186,072	186,072

Ores, metals, and metal products of lesser importance and smaller output value in 1935 were: platinum (12,749 yen); antimony ore (40,709 yen); quick-silver (27,555 yen); tungsten ore (97,577 yen); molybdenite (13,357 yen); graphite (78,325 yen); gypsum (54,186 yen); cobaltite (12,409 yen); nickel sulphate (98,717 yen); palladium (1,065 yen); lead arsenite (69,879 yen); cadmium (14,562 yen); iridium (333 yen).

### EXPORTS

As Japan's requirements of minerals greatly exceed her production, the export trade is neither large nor very diverse. Listed below are particulars of these exports for 1934 and 1935 according to value:—

	1935 Yen	1934 Yen
Silver (coin and bullion) . . . . .	225,404,506	13,923,838
Coal . . . . .	9,721,084	10,375,598
Sulphur . . . . .	3,609,137	2,886,569
Copper (ingots and slabs) . . . . .	1,654,784	534,154
Manganese . . . . .	441,529	371,283
Plumbago . . . . .	394,259	298,391
Antimony . . . . .	49,592	16,123
Gold (coin and bullion) . . . . .	.....	600

Exports of silver are outstanding, due in part to the enhanced value of silver, and to increased indirect shipments from China which, however, do not appear in the import returns. The most important item is sulphur, the chief buyers of which are Australia, India, New Zealand, and China. Coal is imported to a far greater extent than exported; exports are primarily for ship coaling.

### IMPORTS

The import trade in minerals is considerably more diverse and more important than the export trade. The following data is taken from the Japanese trade returns for 1934 and 1935:—

	1935 Yen	1934 Yen
Coal . . . . .	48,970,334	47,192,729
Pig iron . . . . .	41,179,962	26,528,461
Copper (ingots and slabs) . . . . .	36,444,303	26,171,208
Iron ores . . . . .	34,546,519	19,420,762
Lead (ingots and slabs) . . . . .	20,292,047	17,903,409
Phosphorite . . . . .	20,059,689	16,677,252
Tin (ingots and slabs) . . . . .	15,581,238	15,316,604
Aluminium (ingots and slabs) . . . . .	14,323,219	7,431,016
Nickel (ingots and slabs) . . . . .	10,968,020	8,789,182
Zinc (ingots and slabs) . . . . .	8,502,582	7,227,645
Asbestos . . . . .	5,536,097	5,093,656
Mercury . . . . .	4,460,917	2,582,517
Platinum . . . . .	2,638,229	4,456,543
Antimony and sulphate of antimony . . . . .	2,544,858	1,049,525
Dolomite and magnesite . . . . .	2,294,670	1,688,747
Clay . . . . .	1,668,510	1,333,858
Zinc ores . . . . .	1,594,031	689,402
Talc and soapstone . . . . .	1,436,604	1,137,576
Plumbago . . . . .	867,948	986,465
Cryolite . . . . .	371,601	423,840
Gypsum . . . . .	228,091	235,646
Ferro-manganese . . . . .	30,137	8,790

Canada has an important share in the mineral imports of Japan, the various items which made up this trade in 1934 and 1935 being listed below:—

	1935 Yen	1934 Yen
Lead (ingots and slabs) . . . . .	6,928,931	7,405,503
Aluminium (ingots and slabs) . . . . .	6,029,804	4,025,991
Zinc (ingots and slabs) . . . . .	2,813,555	3,419,811
Asbestos . . . . .	1,976,598	1,378,492
Nickel (ingots and slabs) . . . . .	1,344,851	1,025,989
Zinc ores . . . . .	110,756	256,032
Iron ores . . . . .	78,014	.....
Dolomite and magnesite . . . . .	3,884	.....

The Dominion was Japan's largest individual supplier of asbestos, aluminium, lead, and zinc. In addition to the above, it is safe to say that certain amounts of nickel, asbestos, and aluminium secured from other sources originate in Canada without being so credited in the Japanese trade returns.

Dolomite and magnesite appear in detail for the first time; iron ores have been shipped in small quantities from time to time for test purposes. During the second half of 1935, trading conditions between Canada and Japan were adversely affected; this accounts for the decline in some of the items.

While the principal Canadian producers of minerals are already represented in Japan, numerous inquiries for direct sources of supply are being received from Japanese firms. The Kobe office will gladly furnish full market information on any particular items.

## **TARIFF CHANGES AND CUSTOMS REGULATIONS**

### **Change in United Kingdom Certificates of Origin**

The Canadian Trade Commissioner in London reports that the United Kingdom Customs have decided upon one or two amendments in certificate of origin "FF" (Sale form No. 122). This is one of the special certificates which must be provided in order to establish the Empire origin of "composite goods" imported into the United Kingdom on which Imperial preference is claimed.

The principal change is in clause one of the certificate. The old certificate required the Canadian manufacturer to declare that he "is willing to allow his books to be inspected at any time by an official nominated by the Commissioners of H.M. Customs and Excise, London, for the purpose of verifying this certificate, if so required by the said Commissioners." In the new version the manufacturer will be required to declare that he "is willing to produce his books or adequate cost records, for inspection at any time by an official nominated by the Commissioners of H.M. Customs and Excise, London, for the purpose of verifying this certificate, if so required by the said Commissioners."

The force of the change is to put upon the manufacturer the onus of producing his books and records if required, at his head office, and to obviate visiting customs inspectors being referred to branch offices or other organizations for any data which they may need.

The change over from the old to the new form will be allowed to take place gradually. No date has yet been fixed after which the old form will be unacceptable. It is proposed when reprints are made of the official specimens of certificates of origin 120 and 121 (Sale) to introduce similar changes which will bring these certificates into line with the alteration indicated above.

### **Australian Sales Tax**

Acts assented to on September 29, 1936, but effective as from September 11, 1936, amended the Sales Tax Acts of Australia and reduced the rate of taxation from 5 per cent to 4 per cent.

The Australian sales tax is levied on all imported goods sold for consumption in Australia and on all goods produced or manufactured in Australia, with exemptions of specified articles in each category. In the case of imports subject to sales tax, the taxable value is the value of the goods for customs tariff purposes plus customs and primage duty, the whole increased by 20 per cent thereof (assumed importer's profit).

The sales tax came into effect on August 1, 1930, the rate being 2½ per cent. The rate was increased to 6 per cent on July 11, 1931, reduced to 5 per cent on October 26, 1933, and is now reduced, as from September 11, 1936, to 4 per cent.

### **New Leaflet on New Zealand Customs Documentation**

A new leaflet, No. 52C, entitled "New Zealand Customs Regulations," written by Mr. C. M. Croft, Canadian Trade Commissioner at Auckland, and embodying slightly revised forms of invoice and combined certificate of value and of origin, is being issued by the Department of Trade and Commerce, Ottawa, and will be sent to interested Canadian firms on request. One of the changes is discontinuance of enumeration at the foot of the invoice of such charges as cartage, inland freight, packing, royalties. The new forms give an up-to-date list of "imported partly manufactured raw materials" which are allowed to be used in producing goods declared to be "wholly manufactured" in Canada, or the other Empire country accorded preference. There is no change in the basic regulations respecting determination of value for duty nor in the manner of arriving at Empire content. There are, however, some alterations of a verbal nature which exporters printing new forms should observe. The forms previously in use may be continued until January 1, 1937, and the Comptroller of Customs is empowered also to permit acceptance of the old forms until June 30, 1937.

### **Trinidad Renews Quotas on Foreign Textiles**

A Trinidad proclamation of November 14, 1936, renewed quotas for the calendar year 1937 on piece-goods containing 50 per cent or more of cotton or of artificial silk, or 50 per cent of cotton and artificial silk combined, at the same figures as for 1936, namely, 2,540,000 square yards from the United States, 450,000 from Japan and 260,000 from each other foreign country.

### **French Quotas on Barley and Honey Increased**

With reference to the article in *Commercial Intelligence Journal* No. 1706 (October 10, 1936), page 704, regarding French quotas on Canadian goods for the last quarter of 1936, Mr. Hercule Barré, Commercial Attaché in Paris, cables that the French Government has announced an increased quota of barley for breweries which results in Canada obtaining an additional 4,500 metric quintals for the present quarter. This quota is additional to the quota of 2,250 metric quintals already accorded to Canada for the fourth quarter.

Increases in the honey quota are also made. In addition to a quota of 3,000 metric quintals of honey for industrial purposes already announced for the fourth quarter, a further quota of 3,000 metric quintals is established. A new quota of 1,500 metric quintals of honey for direct consumption, for which no quota had previously been provided, is also established. The foregoing honey quotas are for total imports from all countries, and no division by countries is announced.

### **Mexican Tariff Changes**

Mr. S. G. MacDonald, Acting Trade Commissioner in Mexico City, reports under date November 18, 1936, that a number of alterations and additions have been made to the Mexican Customs Tariff under decrees of October 14, 15, and 16, 1936. The articles affected are: cases not made of leather or wholly or partially lined with leather, fitted with toilet or sewing articles; helmets; certain cotton and linen textiles; shuttles for weaving machines; compounds for improving cement; weed exterminators; ethers; safety pins; cotton wicks; candles; wax cells for bees; wick holders for night lamps.

In the majority of cases the changes are merely the segregation and reclassification of items and changes in wording with the rates remaining the same as formerly. In the case of base metal safety pins the duty is increased from 2 pesos to 3.50 pesos per kilo (25 cents to 44 cents per pound).

**FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOVEMBER 30**

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 30, and for the week ending Monday, November 23, 1936, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending November 23	Nominal Quotations in Montreal Week ending November 30	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1864	\$ .1865	3½
Belgium . . . . .	Belga	.1001	.1688	.1687	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0353	.0353	3
Denmark . . . . .	Krone	.2680	.2180	.2184	4
Finland . . . . .	Markka	.0252	.0215	.0216	4
France . . . . .	Franc	.0392	.0464	.0465	2
Germany . . . . .	Reichsmark	.2382	.4014	.4015	4
Great Britain . . . . .	Pound	4.8666	4.8850	4.8937	2
Greece . . . . .	Drachma	.0130	.0090	.0090	7
Holland . . . . .	Guilder	.4020	.5405	.5427	2½
*Hungary . . . . .	Pengo	.1749	.2950	.2949	4
Italy . . . . .	Lira	.0526	.0525	.0525	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0230	5
Norway . . . . .	Krone	.2680	.2453	.2458	3½
Poland . . . . .	Zloty	.1122	.1887	.1879	5
Portugal . . . . .	Escudo	.0442	.0443	.0443	4½
Roumania . . . . .	Leu	.0060	.0073	.0073	4½
Spain . . . . .	Peseta	.1930	.....	.....	5
Sweden . . . . .	Krona	.2680	.2517	.2522	2½
Switzerland . . . . .	Franc	.1930	.2295	.2294	1½
United States . . . . .	Dollar	1.0000	.9981	.9981	1½
Mexico . . . . .	Peso	.4985	.2770	.2770	4-5
Cuba . . . . .	Peso	1.0000	.9973	.9972	—
Guadeloupe . . . . .	Franc	.0392	.0464	.0465	—
Jamaica . . . . .	Pound	4.8666	4.8950	4.9037	—
Martinique . . . . .	Franc	.0392	.0464	.0465	—
Other British West Indies	Dollar	1.0138	1.0175	1.0195	—
Argentina . . . . .	Peso (Paper)	.1245	.3256	.3260	3½
		Unofficial	.2765	.2765	—
Brazil . . . . .	Milreis (Paper)	.1196	.0870	.0866	—
		Unofficial	.0585	.0586	—
British Guiana . . . . .	Dollar	1.0138	1.0175	1.0195	—
Chile . . . . .	Peso	.1217	.0516	.0516	4½
		Unofficial	.0416	.0416	—
Colombia . . . . .	Peso	.9733	.5706	.5718	4
Peru . . . . .	Sol	.2800	.2495	.2495	6
Venezuela . . . . .	Bolivar	.1930	.2495	.2495	—
Uruguay . . . . .	Peso	1.0342	.7985	.7975	—
South Africa . . . . .	Pound	4.8666	4.8787	4.8875	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.0100	5.0100	—
China (Shanghai) . . . . .	Dollar	.....	.2947	.2954	—
Hongkong . . . . .	Dollar	.....	.3035	.3046	—
India . . . . .	Rupee	.3650	.3687	.3695	3
Japan . . . . .	Yen	.4985	.2861	.2855	3.29
Java . . . . .	Guilder	.4020	.5420	.5425	—
Siam . . . . .	Baht (Tical)	.4424	.4475	.4477	—
Straits Settlements . . . . .	Dollar	.5678	.5726	.5739	—
Australia . . . . .	Pound	4.8666	3.9075	3.9150	—
New Zealand . . . . .	Pound	4.8666	3.9400	3.9462	2½
		* Unofficial:	.1974	.1973	—

The Dominion Bureau of Statistics has supplied the following note:—

During the fourth week of November exchange quotations exhibited a degree of stability not apparent for many months past. The United States dollar continued at a slight discount in Montreal, and there was no evidence of any further appreciable influx of foreign funds into the New York security market. Sterling moved between \$4.884 and \$4.893 for the week, and the French franc closed fractionally stronger at 4.65 cents. New York funds were at a discount of 0.2 per cent on November 30.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Kitchener, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Municipal Affairs Department, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Edmonton, Alta.  
Winnipeg, Man.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Canned Fruits and Vegetables...	746	Rangoon, Burma.....	Purchase and Agency.
Tomato Paste.....	747	Shanghai, China.....	Agency.
Canned Salmon.....	748	Rangoon, Burma.....	Purchase and Agency.
Canned Salmon (Pink and Red).	749	Karachi, India.....	Purchase and Agency.
<b>Miscellaneous—</b>			
Patent Medicines.....	750	Rangoon, Burma.....	Purchase and Agency.
Refined Paraffin Wax.....	751	Bristol, England.....	Purchase and Agency.
White Paraffin Scale.....	752	Bristol, England.....	Purchase.
Cow Bones.....	753	Shanghai, China.....	Purchase.
Leather (Upper and Sole, Cut Stuff, etc.).	754	Leicester, England.....	Agency.
Upper or Sole Leather.....	755	Bristol, England.....	Agency.
Calf Leathers.....	756	Leicester, England.....	Purchase or Agency.
Patent Leather.....	757	Rangoon, Burma.....	Purchase and Agency.
Shoe Findings.....	758	Leicester, England.....	Agency.
Men's Bath Robes and Ladies' Dressing Gowns.	759	Johannesburg, South Africa	Agency.
Rubber Goods (Mechanical and Moulded).	760	Rangoon, Burma.....	Purchase and Agency.
Oil Paints and Varnishes.....	761	Port Said, Egypt.....	Agency.
Builders' Supplies.....	762	Birmingham, England.....	Agency.
Logging Tools.....	763	Bristol, England.....	Agency.
Automobile Spare Parts.....	764	Shanghai, China.....	Agency.
Iron and Steel Scrap.....	765	Shanghai, China.....	Purchase.

### CERTIFICATES OF ORIGIN FOR BRITISH PREFERENCES

Canadian exporters are reminded of the importance of supplying correct certificates of origin for goods entitled to preferential tariff treatment in Empire countries. The regulations to be observed vary enough to preclude use of uniform documentation for the different British markets. As regards the principal market, the United Kingdom, goods regarded as growth or produce require 100 per cent Empire content; optical goods and parts require 75 per cent; a selected list of manufactured goods (see F.T.D. Leaflet No. 95) require 50 per cent; for other manufactured goods 25 per cent Empire content suffices. A small number of ingredients must qualify independently for preference. Each "article" is subject to the preference test separately, so that when machinery, etc., is shipped to the United Kingdom knocked-down each separate assembly or part must qualify in itself to be entitled to preference. Notice 27A of the London Custom House, issued in March, 1935, prescribes appropriate forms as follows: D, 119 (Sale), for growth or produce; E, 120 (Sale), for manufactured goods; F, 121 (Sale), for manufactured tobaccos and sugars; FF, 122 (Sale), a supporting certificate for ingredients.

### PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

#### From Saint John

*To Liverpool.*—Duchess of York, Dec. 12; Montclare, Dec. 18; Montrose, Dec. 25; Montcalm, Jan. 1; Duchess of Atholl, Jan. 8; Duchess of Bedford, Jan. 15—all Canadian Pacific.

*To London.*—Beaverdale, Dec. 10; Beaverburn, Dec. 17; Beaverford, Dec. 24; Beaverbrae, Dec. 31; Beaverhill, Jan. 7—all Canadian Pacific.

*To London, Antwerp and Rotterdam.*—Haukefjell, Dec. 9; Ravnefjell, Dec. 31—both J. Brock Shipping Co.

*To Manchester.*—Manchester Port, Dec. 10; Manchester Producer, Dec. 17; Manchester Division, Dec. 24; Manchester Citizen, Dec. 31; Manchester Regiment, Jan. 7; Manchester Commerce, Jan. 14—all Manchester Line.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Dec. 11.

*To Avonmouth, Cardiff and Swansea.*—Airthria, Dec. 10; Dakotian, Dec. 26; Norwegian, Jan. 9—all Cunard-Donaldson and Dominion Lines.

*To Newcastle and Leith.*—Cairnesk, Dec. 15; Cairnglen, Dec. 29—both Cairn-Thomson Line (call at Dundee).

*To Glasgow.*—Delilian, Dec. 17; Dorelian, Dec. 31; Sulairia, Jan. 14—all Donaldson-Atlantic Line.

*To Dublin and Belfast.*—Kenbane Head, Dec. 18; Melmore Head, Jan. 10—both Head Line (cargo accepted for Cork).

*To Antwerp.*—Kings County, County Line, Dec. 12; Beaverburn, Dec. 17; Beaverhill, Jan. 7—both Canadian Pacific.

*To Rotterdam and Havre.*—Kings County, County Line, Dec. 12.

*To Hamburg.*—Beaverburn, Dec. 17; Beaverdale, Jan. 14—both Canadian Pacific.

*To Barcelona, Marseilles, Genoa, Naples, Messina, Palermo, Valencia and Seville.*—Capo Lena, Capo Line, Dec. 19 and Feb. 6.

*To Montevideo and Buenos Aires.*—Nordkap, Canada-South America Line, Dec. 20; Flint II (calls at Santos but not at Montevideo), International Freighting Line, Dec. 23.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Dec. 9; Lady Hawkins, Dec. 23; Lady Drake, Jan. 6—all Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Ada, Ocean Dominion SS. Corp., Dec. 16.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—City of Ripon, Dec. 15; City of Khios, Dec. 30—both Ellerman & Bucknall SS. Co.

*To Cape Town, Port Elizabeth, East London and Durban.*—Clumberhall, Dec. 12; Eurypylus, Dec. 20; Siltan Hall, Dec. 25; Mattawin (calls at Freetown, Walvis Bay, Lourenco Marques and Beira), Dec. 30—all Elder Dempster Lines Ltd.

### From Halifax

*To Liverpool.*—Manchester Brigade, Manchester Line, Dec. 12; Duchess of York, Dec. 13; Montclare, Dec. 19; Montrose, Dec. 26; Montcalm, Jan. 2; Duchess of Atholl, Jan. 9; Duchess of Bedford, Jan. 16—all Canadian Pacific; Newfoundland, Furness Line, Dec. 24; Alaulia, Cunard-White Star Line, Jan. 5.

*To London.*—Beaverdale, Dec. 11; Beaverburn, Dec. 18; Beaverford, Dec. 25; Beaverbrae, Jan. 1—all Canadian Pacific; Aurania, Dec. 13; Ausonia, Dec. 27; Antonia, Jan. 3—all Cunard-White Star Line; Cold Harbor, Dec. 10; City of Flint, Dec. 24—both American Hampton Roads (call at Dundee).

*To Manchester.*—Manchester Port, Dec. 12; Manchester Brigade, Dec. 12; Manchester Producer, Dec. 19; Manchester Division, Dec. 26; Manchester Citizen, Jan. 2; Manchester Regiment, Jan. 9; Manchester Commerce, Jan. 16—all Manchester Line.

*To Southampton.*—Duchess of Richmond, Canadian Pacific, Dec. 12.

*To Cardiff, Bristol and Swansea.*—Montreal City, Dec. 19; Boston City, Jan. 4; New York City, Jan. 18—all Bristol City Line.

*To Aberdeen, Newcastle and Hull.*—Kelso, Dec. 19; Kyno, Jan. 10—both Ellerman's Wilson Line.

*To Avonmouth, Cardiff and Swansea.*—Airthria, Dec. 12; Dakotian, Dec. 28; Norwegian, Jan. 11—all Cunard-Donaldson and Dominion Lines.

*To Glasgow.*—Delilian, Dec. 19; Dorelian, Jan. 2; Sulairia, Jan. 16—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cold Harbor, American Hampton Roads, Dec. 10 (does not call at Newcastle); Cairnesk, Dec. 17; Cairnglen, Dec. 31—both Cairn-Thomson Line.

*To Antwerp.*—Beaverburn, Dec. 18; Beaverhill, Jan. 8—both Canadian Pacific.

*To Hamburg.*—Cold Harbor, Dec. 10; City of Flint, Dec. 24—both American Hampton Roads; Beaverburn, Dec. 18; Beaverdale, Jan. 15—both Canadian Pacific.

*To Copenhagen and Baltic Ports.*—Batory (calls at Gdynia), Gdynia-America Line, Dec. 14; Svaneholm, Swedish-America-Mexico Line, Jan. 9.

*To Gothenburg.*—Gripsholm, Dec. 10; Drottningholm, Jan. 22—both Swedish-America Line.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Belle Isle, Newfoundland-Canada SS. Ltd., Dec. 14; Fort Amherst, Furness-Red Cross Line, Dec. 21; Portia (does not call at St. Pierre), Newfoundland Ry. & SS. Co., Dec. 23; Newfoundland (does not call at St. Pierre), Furness Line, Dec. 24.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Dec. 17; Lady Hawkins, Dec. 31; Lady Drake, Jan. 14—all Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Ada, Ocean Dominion SS. Corp., Dec. 12.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Colborne, Dec. 12; Chomedy, Dec. 26—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Lady Somers, Dec. 10; Cathcart (does not call at Hamilton or Nassau), Dec. 17; Lady Rodney, Dec. 24; Cavelier (does not call at Hamilton or Nassau), Dec. 31—all Canadian National.

*To Santiago (Cuba) and Kingston (Jamaica).*—Ciss, Dec. 16; Kirsten B, Dec. 30—both Pickford & Black SS. Line.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Malayan Prince, Dec. 19; Silverteak, Jan. 2—both Silver-Prince Line.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Armada, Dec. 28; Ardenvoehr, Jan. 29—both Montreal-Australia-New Zealand Line.

*To Auckland, Wellington, Lyttelton and Dunedin.*—Canadian Highlander, Dec. 21; City of Glasgow, Jan. 21—both Montreal-Australia-New Zealand Line.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Heian Maru, Dec. 26; Hikawa Maru, Jan. 13; Hiye Maru, Jan. 23—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Canada (calls Honolulu), Dec. 12; Empress of Russia (calls Nagasaki), Dec. 18; Empress of Japan (calls Honolulu), Jan. 9; Empress of Asia (calls Nagasaki), Jan. 19—all Canadian Pacific; Tyndareus (calls at Miike but not at Manila), Blue Funnel Line, Dec. 26.

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Hope Crest, Dec. 31; Kota Agoeng, Jan. 31—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Aorangi, Canadian-Australasian Line, Dec. 30.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Cloud (calls at Lyttelton and Dunedin if sufficient cargo offered), Dec. 20; Golden West, Jan. 16—both Oceanic and Oriental Navigation Co.

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Hauraki (calls at Papeete), Canadian-Australasian Line, Dec. 31.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Anten, Empire Shipping Co., Dec. 14.

*To Sydney, Melbourne and Adelaide.*—Wearpool, December; Anglo Peruvian, December; King James, January—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Damsterdyk (calls at Glasgow), Dec. 12; Lochgoil, Dec. 26; Delftdyk, Jan. 9; Lochkatrine, Jan. 23—all Holland-America Line.

*To London, Liverpool and Cardiff.*—A steamer, Reardon Smith Line, January.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—Oregon, Empire Shipping Co., Dec. 10.

*To Scandinavian Ports.*—A steamer, Johnson Line, January.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Fella, Empire Shipping Co., Dec. 31.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., December.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—A steamer, Silver-Java Pacific Line, January.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—A steamer, Dec. 28; Hardanger, Jan. 28—both Empire Shipping Co.

### From New Westminster

*To United Kingdom Ports.*—Abraham Lincoln, Dec. 11; Benjamin Franklin, Dec. 24; Knute Nelson, Jan. 12—all Anglo-Canadian Shipping Co.

*To London, Liverpool and Glasgow.*—Viking Star, Dec. 12; Albion Star, Dec. 21; Tudor Star, Jan. 10; Gothic Star, Feb. 1—all American Mail Line Ltd. (call at Rotterdam and Newcastle); Damsterdyk, Dec. 12; Lochgoil, Dec. 26—both Royal Mail Lines Ltd. (call at Southampton and Rotterdam); Gracia, Balfour Guthrie & Co., Dec. 12; Pacific Grove (calls at Manchester), Furness Line, Dec. 18.

*To Havre, Rotterdam, Liverpool and Glasgow.*—British Columbia Express, Dec. 8; California Express, Dec. 28—both B. W. Greer & Son Ltd.

*To Australian Ports.*—Anten, Empire Shipping Co., Dec. 12; Hauraki, Canadian-Australasian Line, Dec. 21; Preneiro, Anglo-Canadian Shipping Co., Dec. 24.

*To Japanese Ports.*—Tyndareus, Dodwell & Co. Ltd., Dec. 10.

*To South African Ports.*—Mapia, Dingwall Cotts Co., Jan. 5.

*To Manila and Iloilo.*—Hopecrest, Dec. 26; Kota Agoeng, Jan. 25—both Dingwall Cotts & Co.

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

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## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### MISCELLANEOUS

- Annual Report of the Department of Trade and Commerce. (Price 25 cents.)
- Annual Report of the Board of Grain Commissioners for Canada. (Price 25 cents.)
- Annual Report of the Electricity and Gas Inspection Services. (Price 10 cents.)
- Annual Report of the Weights and Measures Inspection Service. (Price 10 cents.)
- Annual Report of Dominion Grain Research Laboratory. (Price 10 cents.)
- List of Licensed Elevators, etc. (Price 50 cents.)
- Motion Pictures, Catalogue of. (Price 25 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

NOTE.—Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. Although subscribers to the Commercial Intelligence Journal are entitled to receive such reports free of charge, in all other cases their distribution is controlled by the King's Printer, who fixes a price therefor as indicated in the following list:—

Commercial Intelligence Journal Weekly (in English and French), containing Reports of Trade Commissioners and other Commercial Information. Annual Subscription: In Canada, \$1; single copies, 5 cents. Outside Canada, \$3.50; single copies, 10 cents.

Australian Market for Fish Products (1931).

French-Canadian Homespun Industry.

Greece as a Market (1931). (Price 25 cents.)

Invoice Requirements: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.

Map of the World showing Trade Routes. (1930 Edition.)

Markets of Central America (1929). (Price 25 cents.)

Points for Exporters: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.

Sweden as a Market for Canadian Products (1928). (Price 25 cents.)

Switzerland as a Market (1929). (Price 25 cents.)

Trade of the African Sub-Continent (1928). (Price 25 cents.)

Trade Possibilities of the Baltic States (1929). (Price 25 cents.)

Trading with Colombia and Venezuela (1928). (Price 25 cents.)

Jugoslavia as a Market (1930). (Price 25 cents.)

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:

Census of Canada.

Miscellaneous Statistics respecting the following: Business; Education; Employment; Finances (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces.

Canada, 1936. (Price 25 cents.)

Canada Year Book. (Price \$1.50).

Report of the Dominion Statistician, Annual. (Price 10 cents.)

Trade (External), (Imports and Exports)—Annual Reports: Fiscal Year (price \$3), Calendar Year (price 50 cents); Quarterly Report (price \$2 per annum); Monthly Report (price \$1 per annum.)

Trade (Internal)—Retail and Wholesale Trade. Capital Movements and Balance of Payments, Prices and Cost of Living. (Price 50c. per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. (Territory covers Central China, North China, and Manchuria.) *Cable address, Canadian.*

### Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

### Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

### Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

### India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

### Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

1972  
**CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.**

**Japan**

**Tokyo:** J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

**Kobe:** ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

**Mexico**

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

**Netherlands**

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

**New Zealand**

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

**Norway**

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

**Panama**

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

**Peru**

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

**South Africa**

**Cape Town:** G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

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# COMMERCIAL INTELLIGENCE JOURNAL



Vol. LV

Ottawa, December 12, 1936

No. 1715



Canadian Pavilion, Empire Exhibition at Johannesburg

(See page 1083)

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LV

Ottawa, December 12, 1936

No. 1715

## PAPER TRADE OF JAPAN, JANUARY TO JUNE, 1936

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, November 9, 1936.—During the first six months of 1936 the manufacture and sales of paper in Japan continued upward and showed considerable improvement over the corresponding period of the previous year. The number of paper-making machines in use by members of the Japan Paper Manufacturers' Association numbered 164, with a total of 15,971 inches as against 156 with 15,217 inches in operation during the January-to-June period of 1935, an increase of 5 per cent. The consumption of pulp amounted to 435,040 tons as against 410,100 tons, an increase of 6.1 per cent. The total consumption of pulp was made up of 177,867 tons of groundwood and 257,173 tons of chemical pulp as compared with 171,803 tons of groundwood and 238,297 tons of chemical pulp for the first half of 1935, an increase of 3.5 per cent in the former and about 8 per cent in the latter.

### PRODUCTION

The production of paper during this period increased by 5.4 per cent, and sales were up by 7.7 per cent. This may be attributed to the increased activities of the large paper-manufacturing concerns such as the Oji, Mitsubishi, and Hokuyetsu, who control 90 per cent of the total productive capacity, and a like percentage of the sales of paper.

According to the varieties of paper produced, newsprint accounted for almost 40 per cent of the total, and was followed by packing paper with 12 per cent, machine-finished printing with 11 per cent, and super-calendar printing with 9 per cent. Generally speaking, the production and sales of paper showed a decided improvement, although there were a few varieties which decreased either in production or in sales, but these decreases took place in unimportant lines.

	Production			Sales		
	1935	1936	%	1935	1936	%
	Short Tons			Short Tons		
Newsprint.. . . . .	180,671	185,498	+ 2.7	180,959	186,264	+ 3.0
Packing .. . . . .	53,925	55,821	+ 3.5	55,371	60,907	+10.0
Printing, machine finished .. . . .	39,726	49,601	+24.8	38,644	47,912	+24.0
Printing, super calendar .. . . .	36,765	39,634	+ 7.8	36,477	39,019	+ 7.0
Simili .. . . . .	32,034	27,710	-13.5	27,531	29,311	+ 6.0
Pasteboard .. . . . .	19,247	22,001	+14.3	18,752	21,024	+12.1
Writing and drawing .. . . . .	14,728	17,388	+18.1	14,303	18,171	+27.0
Rolled "Hanshi" .. . . . .	11,433	10,745	- 6.0	9,878	10,306	+ 4.3
Art .. . . . .	8,062	9,377	+16.3	6,891	8,352	+21.2
Machine-made Japanese .. . . .	7,318	8,422	+15.1	7,397	6,143	-16.9
Coloured .. . . . .	3,454	2,589	+25.0	3,232	2,742	-15.2
Miscellaneous .. . . . .	13,866	15,297	+10.3	13,843	14,786	+ 6.8
Total.. . . . .	421,229	444,083	+ 5.4	413,278	444,937	+ 7.7

### IMPORTS

Imports of paper amounted to 50,591 tons valued at 7,945,000 yen as compared with 43,656 tons valued at 7,741,000 yen during the January-to-June

period of 1935, showing an increased importation of 15.9 per cent in quantity and 2.6 per cent in value. This increase may be attributed to a larger demand in the Yokohama-Tokyo area resulting in a larger volume of newsprint being handled through the port of Yokohama. Imports through Kobe declined by 12.8 per cent in quantity and by 19 per cent in value, while those through the ports of Osaka and Moji decreased by 5.8 per cent in quantity and by 16 per cent in value.

*Imports of Paper by Ports*

	1935	1936	%	1935	1936	%
	Short Tons			1,000 Yen		
Yokohama . . . . .	32,979	40,896	+ 24.0	4,974	5,660	+ 13.8
Kobe . . . . .	5,111	4,455	- 12.8	1,345	1,090	- 19.0
Osaka and Moji . . . . .	5,566	5,240	- 5.8	1,422	1,195	- 16.0
Total . . . . .	43,656	50,591	+ 15.9	7,741	7,945	+ 2.6

The increase referred to above was caused by increased importations of newsprint, which accounted for more than 80 per cent of the total. According to countries of origin, Canada supplied 90 per cent of the total imports of newsprint. Foreign purchases of packing paper increased by 26.7 per cent in quantity, of which Canadian manufacturers supplied the largest part.

*Imports of Paper by Varieties, January to June*

	1935	1936	%	1935	1936	%
	Short Tons			1,000 Yen		
Newsprint . . . . .	33,120	43,324	+ 30.8	3,726	4,912	+ 31.8
Packing and match . . . . .	4,932	3,615	+ 26.7	1,152	804	- 30.2
Imitation parchment . . . . .	3,162	1,266	- 60.0	1,346	606	- 55.0
Imitation Japanese and tissue . . . . .	415	806	+ 94.2	245	388	+ 58.4
Printing . . . . .	533	515	- 3.4	259	297	+ 14.7
Writing . . . . .	423	373	- 11.8	226	195	- 13.7
Pasteboard . . . . .	312	283	- 9.3	247	186	- 24.7
Coloured . . . . .	214	169	- 21.0	65	56	- 13.8
Chinese . . . . .	69	87	+ 26.1	67	79	+ 17.9
Drawing . . . . .	62	50	- 19.3	95	81	- 14.7
Blotting . . . . .	41	32	- 21.9	21	16	- 23.8
Art . . . . .	15	21	+ 40.0	23	31	+ 34.8
Wall . . . . .	14	16	+ 14.3	25	32	+ 28.0
Filter . . . . .	0	0	.....	9	10	+ 11.1
Oiled . . . . .	0	1	.....	0	2	.....
Cigarette . . . . .	0	0	.....	2	....	.....
Total . . . . .	43,656	50,591	+ 15.9	7,741	7,945	+ 2.6

According to countries of origin, the total paper imports from Canada increased by 32.6 per cent in quantity and by 31.9 per cent in value, while those from Sweden, the second largest source of supply, decreased by 28.8 per cent in quantity and by 29.5 per cent in value. In the majority of cases imports from other paper supplying countries showed a falling off.

*Imports of Paper by Countries of Origin, January to June*

	1935	1936	%	1935	1936	%
	Short Tons			1,000 Yen		
Canada . . . . .	32,010	42,462	+ 32.6	3,744	4,938	+ 31.9
Sweden . . . . .	4,046	2,880	- 28.8	1,058	745	- 29.5
Norway . . . . .	1,177	1,672	+ 42.0	266	288	+ 8.4
United States . . . . .	1,979	1,104	- 44.2	426	344	- 19.2
Great Britain . . . . .	1,726	828	- 52.0	614	470	- 23.5
Germany . . . . .	1,494	662	- 55.7	986	525	- 46.7
Holland . . . . .	491	278	- 43.4	200	90	- 55.0
Austria . . . . .	143	213	+ 48.9	60	93	+ 55.0
France . . . . .	219	161	- 26.5	170	214	+ 25.9
Czechoslovakia . . . . .	203	143	- 27.6	85	60	- 29.5
China . . . . .	70	92	+ 31.4	75	92	+ 22.7
Finland . . . . .	46	85	+ 84.8	19	68	+ 257.9
Other . . . . .	52	11	- 78.8	38	18	- 52.6
Total . . . . .	43,656	50,591	+ 15.9	7,741	7,945	+ 2.6

Exports of paper for the period under review when compared with the corresponding period of the previous year declined by 3.3 per cent in quantity, but increased in value by 3.9 per cent, due to advancing paper prices. It is of interest to note that Japanese manufacturers are losing ground in such old paper-consuming markets as China, British India, and the Dutch East Indies; on the other hand, are opening up new markets in Manchukuo, Siam, and the Philippine Islands. The volume of printing paper shipped to China decreased by 14 per cent, while the value was down by 17.1 per cent. The consumption in China of other foreign-style papers showed an increase.

*Exports of Foreign-style Paper by Varieties, January to June*

	1935	1936	%	1935	1936	%
	Short Tons			1,000 Yen		
Printing . . . . .	21,977	18,896	— 14.0	4,649	3,852	— 17.1
Simili . . . . .	3,952	4,585	+ 16.0	1,095	1,144	+ 4.5
Cigarette . . . . .	1,273	2,039	+ 60.2	797	1,792	+ 124.8
Packing . . . . .	1,349	1,623	+ 20.3	380	468	+ 23.1
Newsprint . . . . .	570	455	— 20.2	136	87	— 36.0
Total . . . . .	29,121	27,598	— 5.2	7,057	7,343	+ 5.0

*Exports of Paper by Countries of Destination*

	1935	1936	%	1935	1936	%
	Short Tons			1,000 Yen		
Kwantung Province . . . . .	15,436	19,680	+ 27.5	3,315	4,181	+ 26.1
China . . . . .	16,390	12,058	— 26.4	3,941	3,179	— 19.3
British India . . . . .	5,212	4,086	— 21.6	539	438	— 18.7
Manchukuo . . . . .	3,396	3,901	+ 14.9	1,138	1,411	+ 24.0
Hongkong . . . . .	4,972	2,361	— 52.5	874	392	— 55.1
Siam . . . . .	893	1,619	+ 81.3	179	331	+ 84.9
Dutch East Indies . . . . .	1,352	1,057	— 21.8	305	318	— 4.3
Australia . . . . .	201	810	+ 303.0	70	216	+ 208.6
Philippine Islands . . . . .	488	775	+ 58.8	168	161	— 4.2
Straits Settlements . . . . .	795	723	— 9.0	167	157	— 6.0
United States . . . . .	283	292	+ 3.2	358	484	+ 35.2
Asiatic Russia . . . . .	33	125	+ 278.8	30	100	+ 233.3
Great Britain . . . . .	104	110	+ 5.8	233	231	— 0.8
Germany . . . . .	82	92	+ 12.2	81	148	+ 82.7
Other . . . . .	224	530	+ 136.6	164	271	+ 65.2
Total . . . . .	49,861	48,219	— 3.3	11,562	12,018	+ 3.9

The total shipments of Japanese native-style paper, used as handkerchiefs and for wasting purposes, were up by 29.3 per cent in quantity—3,882 tons as against 3,001 tons—and by 26.5 per cent in value—12,078,000 yen compared with 11,562,000 yen.

## JAPANESE WHEAT AND FLOUR SITUATION, JANUARY TO SEPTEMBER

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, November 11, 1936.—The Japanese wheat market during the first nine months of 1936 showed a bullish tone due to the anticipated reduction in the domestic wheat crop and to an upward swing in foreign markets. The index number of the Bank of Japan for average monthly wholesale prices in Tokyo gave the September, 1936, wheat price as 271 as against 232 during the same period of last year. A comparison of the September, 1936, prices with those during the early part of the year shows an increase of 12 per cent in the price of domestic wheat, 6 per cent in that of American, and 17 per cent in Canadian. Due to this upward movement flour millers are facing difficulties in securing the low-priced wheat required for conversion into the type of flour required for export, and while large quantities of Australian wheat were purchased in anticipation of the enactment of the Trade Protection Law against Australian imports, the quantity on hand is comparatively small.

## IMPORTS OF WHEAT

Imports of wheat for the first nine months of 1936 when compared with the corresponding period of last year decreased by 20.9 per cent in quantity and by 12.1 per cent in value, purchases from Australia and Argentina showing the largest falling off. Due in part to the working of the Trade Protection Law, Australian wheat imports fell off 35 per cent in quantity and 26.1 per cent in value; there were no shipments from Argentina. Imports from the United States fell off by 58.8 per cent in volume and 46 per cent in value, while Canadian exports of wheat increased by 56.1 per cent in quantity and by 44.4 per cent in value. Increases were also shown in the volume purchased from China and Manchuria—the latter increased by nearly 288 per cent even in the face of a short crop, and China supplied forty-six times the quantity of the previous year.

*Imports of Wheat, January to September*

	1935 Short Tons	1936 Short Tons	1935 1,000 Yen	1936 1,000 Yen
Total .. . . .	372,276	294,376	32,157	28,268
Australia .. . . .	285,171	185,476	23,538	17,392
Canada .. . . .	58,198	90,845	6,258	9,035
China .. . . .	198	9,366	16	890
United States .. . . .	408	168	37	20
Argentina .. . . .	26,103	.....	2,091	.....

The effect of the application of the Trade Protection Law against Australia could be seen during September of this year, when no wheat was imported from Australia, although during the two previous months half a million bushels had been imported. How Canada is taking advantage of the present situation is illustrated by the following table, which shows a decided improvement in the quantity of Canadian wheat imported into Japan during July, August, and September. If the situation continues as at present Canada will have regained its old position as the principal supplier of wheat to Japan.

*Imports of Wheat from Australia and Canada*

	1934 Bushels	Australia 1935 Bushels	1936 Bushels	1934 Bushels	Canada 1935 Bushels	1936 Bushels
July .. . . .	488,563	658,114	411,015	226,736	276,020	315,383
August .. . . .	632,555	875,657	94,989	249,273	84,400	355,331
September .. . . .	361,082	507,309	.....	256,612	136	551,423

## FLOUR

Although the price of wheat has advanced, the flour market continues low and unsettled, being affected to some extent by low-priced rice in anticipation of the harvesting of this year's crop, which is estimated at 20 per cent larger than that of last year.

Exports of wheat flour during the first nine months of this year decreased by 59 per cent in quantity and by 53.4 per cent in value when compared with the January-to-September period of last year. Shipments to Manchukuo fell off by 64.7 per cent and those to the Kwantung Province by 56.5 per cent, while shipments to other countries all showed increases.

*Exports of Wheat Flour, January to September*

	1935 Short Tons	1936 Short Tons	1935 1,000 Yen	1936 1,000 Yen
Total .. . . .	253,771	104,127	26,386	12,303
Kwantung Province .. . . .	128,430	48,000	13,127	5,714
Manchukuo .. . . .	104,594	36,894	11,064	4,430
Philippine Islands .. . . .	6,482	6,282	675	716
China .. . . .	1,886	5,711	216	592
Dutch East Indies .. . . .	309	884	30	100
Straits Settlements .. . . .	195	492	19	53

Imports of wheat flour for the first nine months of 1936 amounted to 700,126 sacks valued at 2,343,560 yen. Due to a change in the method of compiling statistics, it is not possible to make a comparison with the 1935 imports.

## KAMCHATKA FISHING RESULTS, 1936 SEASON

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, November 5, 1936.—By means of a series of amalgamations and through the absorption of small concerns, the Nichiro Fishery Company is now completely in control of the Japanese fishing activities in Kamchatka. It confines its activities to the leased grounds, and through its subsidiary, the Taiheiyo Fishery Company, operates floating canneries in the high seas off Kamchatka. Both these concerns work under the direct control of the Ministry of Agriculture and Forestry, which is contemplating extending its sphere to the salmon and crab fishing that is being carried on in the vicinity of the North Kurile Islands under the supervision of the Hokkaido Provincial Government.

### ADVANTAGES OF CONSOLIDATION

During the present year, as in former years, considerable trouble has been caused in the operations around the islands due to seizures of equipment by Soviet patrol ships on charges of violation of territorial waters, and it is considered by the authorities that if all fishing activities were controlled by the Department of Agriculture and Forestry, these causes of friction would be removed, as at the present time they are confined to areas fished by small concerns; very little trouble has originated in the areas under the operation of the Nichiro and Taiheiyo fishery companies.

Such a measure would doubtless curtail the reckless catching of fish and would tend to force the smaller fishing concerns out of business, as was the case in Kamchatka. In the early days there were more than 100 small organizations engaged in that area—which number was reduced to 30 in 1931, and by August, 1933, the whole operation was under the control of two firms.

The companies thus forced out of the leased grounds of Kamchatka turned their activities to floating canneries operating in the high seas off Kamchatka, but in 1934 these came under the control of the Taiheiyo Fishing Company. As a last resort they were forced to transfer their activities to the North Kurile Islands, so naturally the proposal to transfer the fishing administration for these islands to the central authorities is meeting with opposition, as the possibility is foreseen that the change portends potential control by these large capitalistic concerns.

In the case of Kamchatka, while the smaller fishing concerns had to make great sacrifices in giving up their fishing rights, at the same time the central control had the effect of stimulating the industry into a rapid and well-controlled development. The result of the 1936 pack, when compared with that of the previous year, showed a reduction of about 52,000 cases in the total quantity of all species packed. Reds increased, but pinks showed a falling off of more than 590,000 cases, due not so much to a short run as to the fact that a large carryover existed from the previous year's pack. Reds increased by 98.8 per cent, silvers by 160 per cent, kings by 31.4 per cent, while pinks decreased by 32.3 per cent and chums by 56.6 per cent. Details follow:—

### Total Canned Salmon Pack

	1936 Cases	1935 Cases	Inc. or Dec. Per Cent
Reds . . . . .	792,865	398,802	+ 98.8
Silvers . . . . .	254,019	97,700	+160.0
Kings . . . . .	11,619	8,838	+ 31.4
Pinks . . . . .	1,238,920	1,829,254	— 32.3
Keta (Chums) . . . . .	9,095	20,977	— 56.6
Cooked salmon with bamboo shoots . . .	11,051	5,833	+ 89.4
Tit-bits . . . . .	7,776	9,224	— 15.7
Other (flakes) . . . . .	11,541	18,157	— 36.4
Total . . . . .	2,336,886	2,388,785	— 2.2

### DECLINES IN CERTAIN DISTRICTS

With the exception of Kamchatka and the North Kurile Islands, packs in all other fishing districts showed declines when compared with 1935. However, the decline was offset by an increase of 17·6 per cent in the Kamchatka production and of 27·2 per cent in that of the North Kurile Islands. The fishing districts of Aomori, Hachinohe, and Shiokama showed a reduction of 40·3 per cent; Hokkaido, 37·9 per cent; Etorofu Island, 0·5 per cent; Saghalien, 86·8 per cent; and the floaters, 11·5 per cent. The value of Saghalien as a fishing district is gradually declining, but the red pack of the North Kurile Islands is becoming more important and is regarded as of almost equal importance with that of Kamchatka and the floaters.

### IMPROVEMENT IN SALMON RUN

The salmon run in Kamchatka leased grounds during the season just closed showed a marked improvement over that of the previous year, but the reds were not so prolific as in 1934. On the other hand, with a smaller number of floaters in use a substantial increase took place in the red pack when compared with 1935, and within 17,750 cases of the 1934 pack. Runs were very good in the North Kurile Islands, particularly that of reds.

### SALES METHODS

The sale of the Nichiro and the Taiheiyo products is arranged through the medium of the Mitsubishi Trading Company and shipped direct from Kamchatka to the United Kingdom and France. The red pack of the North Kurile Islands is controlled by the North Kurile Islands Canned Red Salmon Sales Organization, which is financed by Mitsui & Company to the extent of 23 yen per case, based on a 42s. value for Fancy grades, while other varieties are handled by the Japan Canned Salmon Joint Sales Association. This latter association is said to have had on hand at the end of September 715,000 cases of pinks and chums put up during 1935 and 1,248,000 cases put up during 1936, making a total of approximately 2,000,000 cases. Contracts up to October 1 are said to have amounted to only 288,000 cases, which leaves a large carry over of pinks and chums. These will doubtless be difficult to move in the face of large packs in other producing countries.

Tables showing the pack of various kinds of salmon by districts in 1936, as well as the canned salmon pack by districts in the seasons 1934 to 1936, may be obtained on application to the Department of Trade and Commerce, Ottawa (quoting file No. 19040).

### MARKET FOR CANNED SALMON IN THE IRISH FREE STATE

A. J. TINGLEY, ASSISTANT TRADE COMMISSIONER

Dublin, November 20, 1936.—There is usually available an ample supply of fresh fish of good quality in the Irish Free State, and this limits the demand for canned fish. The bulk of the fresh salmon caught in Ireland is, however, exported to England, where it brings fancy prices on the London market, and consequently offers little competition to the canned variety.

### DEMAND AND EXTENT OF MARKET

The chief demand for canned salmon in the Irish Free State is for the working classes, and in consequence pink salmon has a greater sale than red. It is estimated that out of approximately 200,000 cases of canned salmon con-

sumed in 1935, over 125,000 cases were pinks and the balance divided between reds and medium reds. Other types of canned fish are not in great demand, although there is a limited trade in sardines, Norwegian sill and bristling, and tinned herring in tomato sauce. Canned lobster and crab are limited to the few who desire specialties or luxuries. There is, however, a small trade in chilled or frozen salmon at certain seasons of the year.

In 1931 and 1932 imports of canned fish (mainly salmon) amounted to approximately 5,000,000 pounds valued at approximately £150,000; in 1935 these had fallen to just over 3,000,000 pounds valued at £75,000. The total for 1936 is likely to show a slight increase over that of 1935. Up to three years ago, Canadian pink salmon was competitive in price with that from other sources of supply, and secured a fair share of the trade. Within the past two years, however, Japanese salmon has been somewhat cheaper in price, and the sale has increased largely at the expense of the Canadian product. Several reasons are given for the recent decline in the demand for Canadian salmon in this market. It appears that quality does not have so strong an appeal as price, especially among the working classes. Furthermore, the Canadian pack has been small during the past few seasons, and supplies have not been readily available; but perhaps the most important reason has been the preferential rate of duty accorded to Canadian salmon in the British market and the consequent diversion of practically all available supplies to the United Kingdom.

#### IMPORT DUTIES

On tinned salmon entering the Irish Free State there is a flat rate of duty of 1d. per pound, including weight of contents and container, and an additional 1d. per pound or fraction of a pound thereafter. In practice this means that a 1-pound can, net weight, is dutiable at 2d. per can, and as this high duty applies equally to all imports, and no preference is granted to Canadian, it is natural for Canadian salmon exports to be consigned to markets in which they are afforded preferential tariff treatment. In the circumstances, Japanese canned salmon has been securing an increasing share of the trade in the Irish Free State, and occasional shipments of Russian, American, and Alaskan salmon have also made their appearance.

#### COMPETITION

Canadian sockeye, although admittedly supreme in quality, has moved slowly. Alaskan red has been in evidence, but by far the greatest demand is for the middle cut put up under the label of a well-known English firm, and the "Black Eagle" is another red variety put out under the same label. This salmon has been extensively advertised throughout this country, as well as in Britain, for many years, so that the name is now well-known in most households. With the general public asking for a special brand, the average grocer or provision merchant naturally takes the line of least resistance and stocks and sells only what is asked for. Some of the salmon sold under these labels may be Canadian; but in more recent years, due to a variety of causes—not the least of which being a shortage of available supplies from Canada—an increasing amount of their total pack is now believed to be of foreign origin.

Under these conditions it is difficult to extend the sale of exclusively Canadian brands of salmon in this market. There is still, however, a good potential demand for Canadian pink salmon in  $\frac{1}{2}$ -pound and 1-pound tins, provided it can be laid down in Dublin at a price competitive with Japanese.

#### MARKETING METHODS

In the past Canadian canned salmon has usually been handled here through English import houses, and agents report that ex-Liverpool sales can be made

here almost as readily as ex-Dublin stock. Nevertheless United States, Japanese, and Russian stocks are usually kept here. These stocks are usually in the hands of established storage firms who charge a small weekly tonnage fee. While storage may be an assistance to sales, it is possible for a broker or commission agent, with a plentiful supply of samples, to introduce a good Canadian line to the wholesale trade. Once introduced there would not be the same necessity for samples, but the agent must have the complete co-operation of the Canadian firm and be kept posted with firm and competitive prices. This office is now in touch with such an agent, and Canadian firms in a position to supply pink salmon are invited to communicate with the Canadian Trade Commissioner, Dublin.

#### PRICES, SIZES

The chief demand in the Irish Free State is for pink  $\frac{1}{2}$ 's and 1's labelled. No. 1's tall, both pink and red, are also in demand. There is no special packing or marking required, but a clear, attractive label is essential. The usual quantities packed are 8 dozen  $\frac{1}{2}$ 's and 4 dozen 1's to the case. Business may be transacted here through brokers, who buy direct, cash against documents, with the usual 5 per cent brokerage commission.

Quotations are usually submitted c.i.f. Dublin, in sterling. Current quotations for Japanese pinks are from 15s. to 16s. per case c.i.f. for 1's and from 18s. 6d. to 19s. c.i.f. for  $\frac{1}{2}$ 's. Reds are usually about 30s. per case dearer, but in the past Canadian offers of red or sockeye, when available, have usually been competitive in price with other sources of supply.

Current prices of the (red) middle cut (new season's pack) referred to above are as follows: 1's flat, 60s. per case; and  $\frac{1}{2}$ 's flat, 69s. per case ex store Dublin. "Black Eagle" medium red: 1's tall, 49s. per case, ex store Dublin.

In the past the price has usually firmed somewhat during the winter months. Quotations received here about the beginning of the new year will be in good time for the trade of the Lenten season.

### COMMERCIAL NOTES FROM NEW SOUTH WALES

B. MILLIN, COMMERCIAL AGENT

#### Imports and Exports of New South Wales

Sydney, November 5, 1936.—Imports from overseas into New South Wales for the quarter ended September 30 last were valued at £10,174,166 sterling compared with £8,972,854 sterling for the September quarter last year. Exports at £6,975,243 sterling increased by £667,643 sterling. Imports for September were valued at £3,215,534 sterling compared with August £3,335,342 sterling, and for September last year £2,847,776 sterling.

#### Commonwealth Taxation Reduction

The Federal Budget, which was presented by the Treasurer recently, was welcomed inasmuch as it afforded considerable all-round relief from the burden of special emergency taxation imposed at the onset of the depression years. The fact that excess receipts of last year's Budget amounted to £3,567,000 showed that there was room for a considerable reduction.

The salient points in the Budget introduced were:—

Taxation is to be reduced by £5,275,000 per annum.

Remissions include sales tax, £3,000,000; income tax, £2,105,000; primage duty, £170,000.

The special property tax is to be abolished.

Normal income tax is reduced by 10 per cent, and £50 allowed per annum for a wife or female relative caring for children.

Commonwealth public service salaries are fully restored to normal rates at a cost of £97,000 a year.

Absentee income taxpayers are allowed the same statutory exemption as residents.

Old age and invalid pensions are to be increased from 18s. to 19s. per week at a cost of £760,000 per annum.

Federal Members' allowances are restored to within 5 per cent and Federal Ministers' allowances to within  $7\frac{1}{2}$  per cent of normal rates.

A further reduction in sales tax from 5 per cent to 4 per cent involves £2,000,000 a year, and there are also further exemptions on goods of prime necessity estimated as worth £1,000,000. There has been a total reduction of £6,750,000 in sales tax since the peak period.

Maternity allowances (at present £4 for each child, with payments rising by 5s. for each child up to 14 years) are increased to £4 10s. for the first child and £5 for each additional child.

Notwithstanding the above remissions, it is anticipated there will be a surplus of £45,000 for the current year.

### **Australian Canned Fruits**

From the point of view of the growers of apricots, peaches, and pears, the 1936 season was the most successful for some years.

The apricot pack was the largest on record and totalled 379,435 cases, exceeding the 1935 pack by 105,624 cases. The peach pack, however, declined by 67,829 cases. The pear pack reached record dimensions, exceeding the 1935 pack by 308,624 cases. The aggregate pack of 2,221,429 cases was also a record, the previous highest being in 1933 with 2,039,679 cases.

The canned fruit trade with distributing centres other than London has increased from 11 per cent of the total Australian shipments in 1928 to 37 per cent in 1935.

Trade with Canada continues to show an improvement despite the growth of the local fruit-canning industry and the competition it entails. In 1935 shipments to Canada increased by 22,950 and 48,306 cases respectively over the 1934 and 1933 exports. This progress is being maintained during the current season; the volume of business is known to exceed that of 1935.

A decided drop in the export of pineapples (canned) has been experienced during the last eighteen months. This was not caused by loss of interest on the part of overseas distributors, but was due to the inability of Australian packers to obtain supplies. All hopes of rectifying the situation faded when it was seen that the 1936 summer yield of pineapples was of small dimensions. Virtually the whole of the pack was required for local requirements, consequently only nominal exports, amounting to 2,135 cases, was made during the first half of this year.

### **Sydney Wool Sales**

Prices have been buoyant at recent Sydney wool sales, notwithstanding the Japanese embargo on buying in the Australian market. The demand from France has been noteworthy. Orders from that country have increased to a marked extent since the franc was devalued in late September.

Yorkshire continued to buy freely, but her operations on spinners' wools were not as consistently vigorous as a few weeks ago. Her buyers were very active on good-length burry wools. Germany competed freely. Good bidding was noticeable from Italy, which has already bought 25,000 bales this year as compared to practically nil last season. Australian millmen and buyers from Belgium and North America are also purchasing freely.

Values showed a general advance. The better fleece wools were about  $2\frac{1}{2}$  per cent dearer than the closing Sydney auctions of two weeks previously. Average to good fleece wools advanced 5 per cent, the rise often being more pronounced on burry fleece lines showing attractive length. Skirtings were generally 5 per cent higher; burry pieces often showed an improvement of  $7\frac{1}{2}$  per cent. Bellies were often  $7\frac{1}{2}$  per cent higher, carbonizing pieces and bellies displaying a similar rise. Higher prices were also recorded for the more or less limited quantities of comebacks and crossbreds. The cost of some types of burry merino fleece wool and skirtings on the floor Sydney stores has risen from 10 to 15 per cent since the lowest point in mid-September. Carbonizing pieces have appreciated up to 20 per cent since that time, the increased Continental demand being responsible for that improvement.

## GLASGOW HOUSING AND HEALTH EXHIBITION

J. M. BOYER, ASSISTANT TRADE COMMISSIONER

Glasgow, November 18, 1936.—The Glasgow Corporation's annual Housing and Health Exhibition was held this year from September 30 to October 24 at Kelvin Hall. The Canadian Section, planned, erected and controlled by the Canadian Exhibition Commission, was occupied in part by a Canadian Government exhibit, but by far the greater space in the section was leased to Canadian manufacturers or their representatives. Individual exhibitors occupied the major portion of the Canadian Section, displaying foodstuffs, timber and building materials, furs, and washing machines and other domestic appliances. The remainder of the section was utilized by the Canadian Government for display of various Canadian products and for the sale of samples of foods.

Canadian participation in this exhibition as compared with previous ones in Glasgow has shown some enlargement. The number of Canadian firms participating was thirteen as compared with eleven last year, the Canadian Section was larger and a more prominent feature of the exhibition, and the sale of samples from the Government stand, totalling 39,361 samples, was 50 per cent greater than that of 1935.

Food samples sold from the Government stand were, as in previous years, widely representative. This year, bacon was added to the list of commodities sold; 5,004 samples of bacon were purchased. Apples also were in marked favour from the purchasers of Canadian samples.

There were several contributing factors to the success of the Canadian Section at Kelvin Hall this year. First, improved business conditions in Scotland certainly exerted an influence. Secondly, during the Exhibition the "Canada Calling" Campaign opened in Glasgow and drew a great deal of attention. Finally, an important contribution to the marked success of this effort was the cumulative effect of the work of previous years. The Canadian Section at Kelvin Hall has for a number of years been an important feature in the Exhibition and has left its impression on the public.

## **SOUTH WALES AND MONMOUTHSHIRE GROCERS' AND FOOD TRADES' EXHIBITION**

L. H. AUSMAN, ACTING TRADE COMMISSIONER

Bristol, November 18, 1936.—The South Wales and Monmouthshire Grocers' and Food Trades Exhibition was held this year in Greyfriars Hall, Cardiff, from October 28 to November 7 inclusive. Previous attendance records were broken with a total in excess of 51,000 visitors. In spite of the fact that South Wales is regarded as one of the "special areas," there is evidence of returning confidence in business generally and a greater volume of spending on the part of the consuming public.

The Canadian Government Exhibition Commission arranged a prominent display in a central position of the hall, where Canadian food products were shown and sold. The total number of individual samples thus disposed of during the exhibition amounted to 5,413.

In addition to the Government display, four individual stands in the Canadian section were occupied by United Kingdom representatives of Canadian firms manufacturing canned fruits and vegetables, breakfast foods, and processed cheese.

Although, in view of the present economic conditions in South Wales, several of these firms took space reluctantly, the general opinion, after careful consideration of the results, is that the interest shown by the public considerably exceeded expectations and fully justified their support.

The "Canada Calling Cardiff" Trade Campaign was formally inaugurated during the exhibition and the two Canadian trade promotion efforts were correlated in such a way as to secure a maximum of favourable publicity for Canadian products generally and foodstuffs in particular.

## **EMPIRE EXHIBITION: JOHANNESBURG, SOUTH AFRICA, 1936**

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, November 9, 1936.—The progress of the Empire Exhibition, which was officially opened at Johannesburg on September 15, 1936, has been more than satisfactory. The exhibition has now been in operation for fifty-five days, or slightly less than half the period of its existence, and up to and including November 7 the total number of paid admissions numbered 613,176. There is every prospect that the attendance figures will more than double those already reached before the closing date, January 15, 1937. An evidence of this is the fact that the heaviest concentration of advance bookings for visitors' accommodation is in December and early January, the annual holiday period in South Africa. Excursions are being run by the South African Railways towards the end of the exhibition, and these should aid in swelling the attendance.

The exhibition, which was organized and erected in the short period of two and a half years, is one that reflects great credit on the enterprise and energy of its founders. Interest in it has been displayed by all parts of the Empire and also by foreign countries. Visitors from overseas have already attended in large numbers, and the influx of these should increase. The exhibition is one that compares favourably with any of a similar character which has been held in any part of the world. The site selected is one of great natural beauty, and the commercial exhibits are of a high standard.

### **SCOPE OF THE EXHIBITION**

The City Council of Johannesburg has given its fullest co-operation to the exhibition from the outset and the enterprise has been aided actively by the Union Government. The exhibition, as its title implies, is restricted to displays

and exhibits originating within the Empire, and this stipulation has been rigidly adhered to. It is an Empire Exhibition in every sense of the word; practically every commodity of commercial importance produced within the Empire is on view.

The United Kingdom, the Dominions, and Ceylon have erected pavilions. This method of display has also been adopted by practically all the neighbouring British colonies and protectorates, including Southern Rhodesia, Northern Rhodesia, East Africa, Nyasaland, and the Bechuanaland Protectorate. The leading cities, towns, and provinces within the Union of South Africa and the various Government departments have noteworthy displays. In this small area of approximately 100 acres at Milner Park, Johannesburg, the cultural, commercial, and natural resources of the Empire are on view. The number of items on display is over 10,000, and the space let to exhibitors is 210,000 square feet.

The Transvaal Chamber of Mines are displaying a collection of gold-bearing ores from all parts of the world and miniatures of the underground workings of one of the Rand mines; and the De Beers Company have an exhibit of diamonds, valued at £250,000, which shows stones in the rough as they are sold to diamond cutters in the matrix form and also the finished article.

#### CANADIAN PARTICIPATION

The attractive appearance of the Canadian building, together with the wide variety of exhibits, has aroused widespread interest. It is situated on the main road in the space set aside for Empire buildings, with the Australian and New Zealand pavilions on the left and the United Kingdom building on the right. The area covered is roughly 13,000 square feet. The main floor is 200 feet long and 60 feet wide, and the building is constructed so as to permit, at the same time, both a complete view of the entire lay-out and sectional views of all exhibits. Dioramas which effectively portray Canada's leading cities are shown throughout together with attractive government exhibits illustrating Canada's agricultural, mineral, forest, fishing, and manufactured products.

The commercial displays in the Canadian section include breakfast foods, jams and jellies, confectionery, biscuits, dried milk powder, proprietary medicines, flavouring essences, whisky, toilet preparations, soaps, lumber and shingles, tool handles, plywood, canoes and paddles, kraft paper products, wax paper products, marking crayons, stamp cancelling machines, electrical appliances of all kinds, electric stoves and washing machines, fire extinguishers, hardware, office furniture and supplies, steel safes and vault doors, wallboard, soda fountains, leather, boots and shoes, skis, roller skates, hosiery, knitting yarns, rubber gloves, brushes, polishes, brooms, farm and garden tools, and cyanide.

Canada's participation is not entirely confined to the Canadian building, as there are numerous other exhibits of Canadian merchandise located in the various industrial sections. In addition, the exhibition ballroom is laid with Canadian maple flooring, Canadian piping has been used in the ice rink, Canadian soda fountains are being used in several places, and Canadian lumber and materials have been used extensively in the erection of the various pavilions.

#### TRADE OF NORTHERN RHODESIA IN 1935

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, November 4, 1936.—The external trade of Northern Rhodesia increased in 1935 over the high level established in the previous year. Minerals constituted 96·2 per cent of the total value of domestic exports, copper being credited with 85·2 per cent. The output of copper was restricted by quota to 70 per cent of production tonnage from June 1, 1935, under the Copper Restriction Agreement.

This agreement, which was assented to by the principal copper producers with the exception of the United States, has had the desired effect of reducing

stocks and raising the price of copper to £35 per ton. World demand for copper has increased and the quota has now been raised to 95 per cent of production tonnage. In addition to being one of the world's principal copper suppliers, Northern Rhodesia also produces the mineral at very low cost. A stabilization of the price of copper at the above rate or any increase in price is therefore of great importance to the economic welfare of the territory.

The general trade of the mining industrial area was carried on at a satisfactory level during the year. Conditions at the Roan Antelope and Nkana mines were responsible for a surplus of European and native labour, but this was absorbed in the construction work being carried on in connection with the development of the Mufulira mines.

In years of normal copper production, Northern Rhodesia has a balance of trade considerably more favourable than those recorded in 1935 and 1934, when exports exceeded imports by £1,871,619 and £1,646,427 respectively. The high total credited to imports in these two years has resulted from the purchase of machinery and plant for the development of the Mufulira Copper Mines. The major program of the development is now completed, so that a reduction in the value of imports in 1936 is to be expected.

#### TOTAL TRADE

The following table shows the value of imports, exclusive of government stores and specie, exports including re-exports, and total trade of Northern Rhodesia during the calendar years 1935, 1934, and 1933:—

	1935	1934	1933
Imports .. . . .	£2,902,960	£2,884,506	£1,931,829
Exports .. . . .	4,774,579	4,530,933	3,715,396
Total .. . . .	£7,677,539	£7,415,439	£5,647,225

#### IMPORTS

As the above table indicates, the value of merchandise imported during the year under review increased £18,454 or 0·6 per cent compared with 1934. Imports of Government stores which were not included amounted to £57,882 in 1935 and £42,204 in 1934, and specie imports were valued at £52,836 and £4,416 in the same two years. Increases were recorded in the metals and machinery groups, as was the case in the previous year, and indicate the continued development of the mining industry. The largest single item in value imported in 1935 was machinery, amounting to £716,033 compared with £667,425 in 1934 and £208,631 in 1933. In addition to machinery, the principal items imported include the following:—

Cotton and woollen piece-goods valued at £151,362 in 1935 and £123,630 in 1934; coal, £146,637 (£113,391); outer garments and underclothing, £129,192 (£110,302); blasting compounds, £122,859 (£146,937); pipes, piping, and fittings of iron and steel, £71,589 (£59,881); motor cars, £64,399 (£69,594); motor spirit, £58,893 (£53,145); ale, stout, beer, cider, and perry, £55,918 (£51,176); cigarettes, £54,471 (£53,651); chemicals, £42,846 (£53,885); railway material, £43,856 (£48,573); blankets, rugs, and blanketing, £39,594 (£30,563); building and fire bricks, £39,375 (£30,563); iron and steel, angle, channel, bar, rod, etc., £35,684 (£57,909); stationery and books, £35,540 (£29,293); millinery, drapery, haberdashery, and textile articles of furnishing and napery, £34,710 (£31,019); footwear, £32,522 (£33,812); building cement, £30,747 (£39,338); iron and steel sheets, £29,376 (£33,955); drugs and apothecary-ware, £28,779 (£25,941); wood, unmanufactured, £24,392 (£41,294); whisky, £22,965 (£22,517); fuse, £22,203 (£25,305); and flour and meal (wheaten), £21,850 (£21,666).

#### ORIGIN OF IMPORTS

Imports from the United Kingdom, the colony's leading supplier, have increased from £646,794 in 1933 to £1,168,463 in 1934 and £1,331,758 in 1935. A substantial share of the increased imports from this source during the past two years is made up of plant and machinery for the development of the mining

industry. To some extent, however, the gains were made at the expense of foreign suppliers, chiefly the United States and Germany. Increased imports were also forthcoming from Southern Rhodesia, Japan, and Belgium. The British Empire was responsible for imports valued at £2,304,111 (79·4 per cent of total imports) in 1935 as against £2,170,889 (75·2 per cent) in 1934. Imports from foreign countries amounted to £598,849 (20·6 per cent) and £713,617 (24·8 per cent) respectively in the same two years.

#### IMPORT VALUES AND PERCENTAGES BY COUNTRIES OF ORIGIN

The following tables show the value and percentage of imports into Northern Rhodesia from Empire and foreign countries in the calendar years 1935 and 1934:—

Country of Origin	1935	Per Cent	1934	Per Cent
United Kingdom . . . . .	£1,331,758	45.9	£1,168,463	40.5
Southern Rhodesia . . . . .	449,673	15.6	422,574	14.6
Union of South Africa . . . . .	410,140	14.1	448,629	15.6
Canada . . . . .	61,337	2.1	64,171	2.2
India . . . . .	33,339	1.1	47,189	1.6
Other Empire Countries . . . . .	17,864	0.6	19,863	0.7
Total British Empire . . . . .	£2,304,111		£2,170,889	

Country of Origin	1935	Per Cent	1934	Per Cent
United States . . . . .	£ 269,823	9.3	£ 346,213	12.0
Japan . . . . .	71,493	2.5	48,653	1.7
Germany . . . . .	49,180	1.7	72,108	2.5
Belgium . . . . .	46,989	1.6	39,005	1.4
Dutch East Indies . . . . .	32,715	1.1	32,241	1.1
Belgian Congo . . . . .	15,769	0.5	25,553	0.9
Other foreign countries . . . . .	112,853	3.9	149,844	5.2
Total foreign countries . . . . .	£ 598,849		£ 713,617	

#### IMPORTS FROM CANADA

Canada was credited with imports valued at £36,736 (1·9 per cent of the total imports into Northern Rhodesia) in 1933 compared with £64,171 (2·2 per cent) in 1934 and £61,337 (2·1 per cent) in 1935. Imports from Canada cover a wide variety of items, but the bulk of the total is made up of a few commodities. The following table shows the most important items imported from Canada in the calendar years 1935 and 1934:—

	1935	1934
Motor cars . . . . .	£18,209	£16,999
Motor trucks and vans . . . . .	10,340	8,660
Wood, unmanufactured . . . . .	5,705	8,470
Milk, including cream, condensed, desiccated or preserved . . . . .	4,590	3,152
Tires and tubes . . . . .	2,524	5,668
Motor car parts and accessories . . . . .	2,300	1,927
Agricultural machinery and implements other than dairy machinery . . . . .	2,250	3,871
Hosiery other than cotton and woollen . . . . .	1,369	1,587
Typewriters and office machines . . . . .	869	404
Machinery and parts n.e.e. . . . .	809	1,401
Gauze and screening (mosquito) . . . . .	546	736
Pickaxes, shovels and ballast forks . . . . .	532	725
Mining machinery . . . . .	460	538
Wood manufactures n.e.e. . . . .	457	1,993
Bolts, nuts, rivets, screws and nails . . . . .	386	51
Pipes and piping . . . . .	327	137
Preserved fish . . . . .	316	383
Chains for hauling . . . . .	216	268

## EXPORT TRADE

As noted above, minerals accounted for 96·2 per cent of the total value of the territory's domestic exports, copper being responsible for 85·2 per cent. In the previous year minerals constituted 97·1 per cent, copper being credited with 84·2 per cent. Exports of zinc, cobalt alloy, and gold declined in 1935 compared with the previous year. These declines, however, were more than offset by increases in exports of copper, vanadic oxide (fused), and vanadium. Outside the minerals group increases were also recorded in exports of wood, manufactured and partly manufactured, unmanufactured tobacco, unmanufactured wood, and hides, skins, and horns.

The values of the chief domestic exports of Northern Rhodesia in the calendar years 1935 and 1934 were as hereunder:—

	1935	1934
Total domestic exports . . . . .	£4,667,870	£4,399,990
Copper . . . . .	3,976,504	3,705,783
Zinc . . . . .	295,092	330,454
Cobalt alloy . . . . .	132,646	191,755
Wood manufactured and partly manufactured . .	78,712	42,215
Vanadic oxide (fused) . . . . .	45,522	15,676
Tobacco unmanufactured . . . . .	43,220	41,669
Vanadium . . . . .	35,873	21,548
Wood unmanufactured . . . . .	25,931	20,891
Hides, skins and horns . . . . .	10,664	9,957
Gold . . . . .	6,032	6,351

## DIRECTION OF EXPORTS

During 1934 Northern Rhodesia's domestic exports to Empire markets were valued at £2,037,779 or 46·3 per cent of the total. In the year under review domestic exports to the Empire increased to £2,655,197 (56·9 per cent). Exports to foreign countries declined from £2,362,211 (53·7 per cent) in 1934 to £2,012,673 (43·1 per cent) in 1935. The United Kingdom was the colony's best customer, taking exports valued at £2,460,368 (52·7 per cent) in 1935 compared with £1,947,775 (44·3 per cent) in 1934. Additional purchases of copper account for this increase. Exports of this item to the United Kingdom were valued at £2,168,747 in 1935 as against £1,637,277 in 1934. Other important exports to the United Kingdom were zinc ingots valued at £207,271 in 1935 and £266,267 in 1934; fused vanadic oxide, £40,426 (nil); and unmanufactured tobacco, £17,536 (£22,736).

Northern Rhodesia is not dependent upon Empire markets to the same extent as are other British possessions in South and East Africa. Germany was the second best customer, exports to that country being valued at £1,147,947 (24·7 per cent) in 1935 and £1,072,226 (24·5 per cent) in 1934. Italy was third on the list with exports valued at £553,075 (11·8 per cent) and £489,663 (11·1 per cent) respectively in the same two years.

Principal exports to Germany include copper amounting to £1,139,268 in 1935 and £1,015,917 in 1934; fused vanadic oxide, £5,096 (£15,676); and zinc ingots, £2,864 (£40,631). The chief items exported to Italy were copper valued at £505,721 in 1935 (£487,986); and zinc ingots, £46,936 (£1,676). The Union of South Africa, which took exports amounting to £162,300 (3·5 per cent) in 1935 and £69,580 (1·6 per cent) in 1934, was in fourth position, followed by Belgium, £159,534 (3·4 per cent) and £334,149 (7·6 per cent); the United States, £108,105 (2·3 per cent) and £358,193 (8·1 per cent); France, £34,852 (0·7 per cent) and £89,910 (2 per cent); and Southern Rhodesia, £26,768 (0·6 per cent) and £20,210 (0·4 per cent).

## INDIAN PAPER INDUSTRY

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

(One ton equals 2,240 pounds; one rupee (16 annas) equals 37 cents at prevailing exchange rates; one anna equals 12 pies)

Calcutta, November 5, 1936.—For the twelve months ended March 31, 1936, Indian paper mills produced 48,099 tons of indigenous paper. As there has been an average annual increase in consumption of 5 per cent during the past three years, it means that the mills now operating to keep abreast of this rate of increase will have to produce 50,504 tons in the next twelve-month period, and 53,029 tons at the end of March 31, 1938. The capacity of the existing mills is estimated to be in the neighbourhood of 52,100 tons, including some 4,000 tons which will be taken care of by extensions of plant now under construction. It would appear therefore that there is but little scope for at least some years to come for new mills.

### LIMITED FIELD FOR EXPANSION

There might possibly be an opportunity for new mills in the production of types of paper imported under protective duties, but if statistics of imports of this kind of paper are used as a basis for judging the situation, it will be seen that the field is very limited. For the past three years imports of these particular types of paper amounted to only 12,442 tons as against the tonnage of new mills that are in project, which is estimated at 38,000. In addition, the imports referred to include a number of special varieties of paper which up to the present it has been found impossible to produce in India.

Among the special varieties which it is stated Indian mills are unable to manufacture are tub-sized, rag papers, real art papers, specialty cover papers, thin rag bank, special sensitized paper for cheque books, litho paper, and parchment paper. It is considered that Indian mills will not be able to manufacture these varieties economically for some years to come, so that if these are eliminated from the total imports of 12,442 tons—of which they must be a considerable proportion—there is left but small tonnage for the new mills, and as their estimated capacity is given as 38,000 tons per annum, there is a danger of over-production.

### IMPORTS IN UNPROTECTED CATEGORIES

On the other hand, under the unprotected category India imports large quantities of paper. In 1935-36 imports amounted to 128,649 tons, and there would appear to be opportunities for development if the new mills were to produce these qualities. But these consist of types which cannot at present, for several reasons, be made economically in this country, among which are the unsuitability of Indian pulp for the purpose and because of the special processes involved in their manufacture. The following are the details of the imports for the last fiscal year of these types of paper: old newspapers, 57,583 tons; newsprint, 34,328; M.G. poster, 1,682; other printings, unprotected, 8,616; wrappings, 10,730; kraft, 9,545; other kinds of paper, 3,544; paper manufactures, 2,019; writings, envelopes, etc., 299; blottings, 303—a total of 128,649 tons.

It will be noted that nearly half the imports consist of old newspapers which are used in the bazaar for wrapping purposes, so that when considering the prospects of the Indian paper industry that item should be eliminated. The next largest item of import is newsprint, but the possibilities of its manufacture are also surrounded with difficulties, among which is the necessity of importing mechanical pulp on which the duty is Rs.56 4 annas (\$20.80) per ton, while imported newsprint, it is stated, including cost, duty, and landing charges, sells at  $1\frac{1}{4}$  annas per pound ( $2\frac{1}{2}$  cents). Out of this duty is  $4\frac{1}{2}$  pies per pound (four-fifths of a cent), which leaves less than 1 anna per pound ( $2\frac{1}{4}$  cents) for manu-

facturing cost and freight to India. Under these circumstances, the opinion is expressed that there are no mills in India at present in a position to compete.

Among other items imported as detailed above, the only important ones are kraft and wrapping papers amounting to 20,000 tons, but as these qualities are made from a special kind of pulp obtainable only in Scandinavia and Canada, their manufacture would not appear to be practicable for the present at least.

India at present, therefore, does not seem to be in a position to manufacture any variety of paper under the unprotected category, while the scope for development of the local industry, so far as imports under the protected category are concerned, is very limited as the existing mills are in a position effectively to cater to the present and prospective demand for the indigenous varieties.

#### NEWSPRINT IMPORTATIONS FROM CANADA

It is of interest to note the recent development that has taken place in the importation of Canadian newsprint in various centres, particularly Bombay, Calcutta, and Madras; also Lucknow. Although some years ago considerable quantities of newsprint reached the Indian market from Pacific Coast mills, owing to certain circumstances this business gradually fell off and Scandinavian mills appeared to control the trade. However, within the last few years Canadian newsprint has again begun to reappear in increasing quantities, and users state that, while it may cost a little more, it is in reality more economical in that it does not absorb ink to the same extent as some other kinds. In Calcutta two of the leading daily journals are using (in part) Canadian newsprint, and in Madras, Bombay, and Lucknow at least one paper in each centre is using it.

As far as the finer grades of paper are concerned, there are small quantities of the cheaper varieties imported regularly from Canada; but as this is a trade which is controlled largely through British paper houses, it is difficult to obtain information concerning it. The present situation would seem to indicate that excellent opportunities exist for the further development of the use of Canadian newsprint in India as well as in Ceylon.

#### CONDITIONS IN THE HONGKONG FLOUR MARKET

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(The average exchange rates for the Hongkong dollar during the third quarter for 1935 and 1936 were 50½ cents and 31¼ cents respectively. One picul equals 133½ pounds)

Hongkong, November 5, 1936.—The flour imports during the third quarter of 1936 amounted to 249,856 piculs valued at HK\$2,085,913 compared with 279,393 piculs valued at HK\$2,137,218 during the three months immediately previous, and as against 376,260 piculs valued at HK\$1,823,762 during the similar quarter of 1935.

The detailed statistics for the July, August, and September quarter for the comparable period of 1935 are given herewith:—

Country	1936		1935	
	Quantity Tons	Value US\$	Quantity Tons	Value US\$
Australia . . . . .	11,350	419,133	16,909	577,672
Canada . . . . .	3,027	135,062	4,994	219,211
North China . . . . .	1,614	65,944	1,703	66,800
Japan . . . . .	61	2,234	25	711
United States . . . . .	605	29,474	1,452	56,605
Total . . . . .	16,657	651,847	25,083	920,999

During the third quarter of the year flour prices have fluctuated within narrow margins in response to the trend of overseas markets. Australian flour

was offered at £8 6s. at the beginning of September, advancing gradually to £9 15s. c.i.f. about the middle of October, but subsequently weakening to £9 9s. per ton. Canadian clear flour advanced from U.S.\$4.40 per barrel c.i.f. at the beginning of September to U.S.\$5.30 about the middle of October, and subsequently receded to U.S.\$5.10 at to-day's date.

The prices to the dealer advanced similarly from HK\$3.55 to HK\$3.90 per sack in the case of Australian flours; from HK\$3.80 to HK\$4.30/4.40 for Canadian clear flours, while those of Shanghai milling moved upward to HK\$3.55.

In summary, to-day's values to the dealers are as follows:—

	Per Barrel ex Godown	Per Barrel C.I.F.
U.S. White Club Straight .. . . .	HK\$4.15/4.20	US\$4.92/4.98
Cut-off .. . . .	4.45	5.30
2nd Clear .. . . .	3.80	4.45
Canadian 1st Clear .. . . .	4.15/4.40	4.92/5.20
2nd Clear .. . . .	3.80	4.45
		Per Ton C.I.F.
Australian .. . . .	3.75/3.90	£9.5.0/9.12.0
Shanghai .. . . .	3.55	
Japanese .. . . .	3.50	

These quotations are the highest local dollar values for the past ten years, and have resulted in a hesitancy by the dealers toward forward commitments or to purchase other than for immediate consumption. Stocks on hand are substantially below the reserve considered appropriate to the market, being estimated at some 77,000 bags. Included in the total are 45,000 bags of Australian origin, 20,000 Canadian, 5,000 Shanghai, 4,000 American, and 3,000 Japanese.

## MARKET FOR USED RUBBER TIRES IN HONGKONG AND SOUTH CHINA

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(The average exchange rates for 1934, 1935, and for the first eight months of 1936 were 38 $\frac{1}{16}$ , 47 $\frac{1}{2}$ , and 31 $\frac{1}{16}$  respectively. One picul equals 133 $\frac{1}{3}$  pounds)

Hongkong, November 1, 1936.—There is a substantial and growing trade in used tire casings in Hongkong, which are imported for transhipment to the Chinese city of Canton, in the adjoining Province of Kwantung.

According to the Trade and Shipping Returns of Hongkong, the importation of waste rubber—almost exclusively used tire casings—amounted to 73,000 piculs valued at HK\$136,000 (4,867 tons of 2,000 pounds, valued at G\$51,935) in 1934; 81,000 piculs valued at HK\$151,000 (5,400 tons valued at G\$71,725) in 1935; and 34,000 piculs valued at HK\$84,000 (2,267 tons valued at G\$26,827) in the first eight months of the present year.

Apart from these statistics, importers engaged in the trade estimate that the monthly importation ranges from 300 to 500 tons, which are drawn almost exclusively from the United States. Apart from such shipments, originating in Seattle, San Francisco, Los Angeles, and New York, and comprising more than 95 per cent of the total, negligible quantities are imported from the Philippine Islands, British Malaya, Siam, and Japan.

Of the used casings little, if anything, is discarded. These, on arrival in Canton, are stripped of their rubber, which is reclaimed for conversion into rubber soles for cheap running shoes, plimsolls, and slippers. The canvas is separated into individual layers and tarred, and the beading is opened and the wire extracted for use as wire shorts.

Apart from the uses for the component parts are such further uses as the following:—

(1) Bumpers for the tens of thousands of junks used by the seafaring population on the coast of China.

(2) Tires for the man-power carts which carry practically all the short distance freight hauls.

(3) For conversion into long-wearing sandals used by the ricksha coolies, and other porters, for which purpose the beading is removed and the rubber tread—backed by canvas—cut into sole shapes.

(4) For the economic re-soling of heavy-duty leather shoes.

#### QUOTATIONS

In general, dealers prefer private car tires as against truck casings, presumably on the assumption that this latter may have been repaired more frequently and might therefore have the fabric damaged to a greater extent.

Currently the basic quotation is G\$14 per ton of 2,000 pounds c.i.f. Hong-kong, which is applicable on second quality passenger casings.

In competition with this specification, which permits of any number of cases with the canvas showing, and tolerates no claims, are No. 1 passenger casings quoted at G\$16.75 to G\$17.10 per ton of 2,000 pounds c.i.f. These No. 1 casings, however, are scarce, and although certain selected No. 2 tires are graded to the specification by hand-picking locally, there is no importation of any importance.

The corresponding truck casing specifications—viz., No. 1 and No. 2—are usually about G\$1 per ton cheaper. With No. 2 passenger casings, however, it is the practice to accept a percentage of truck casings not to exceed 35 per cent by number.

#### PACKING

No. 2 casings are packed in bundles of 25 and 50, with the weight unessential, provided the weight be below 250 pounds, which is the maximum weight for transshipment and handling by man-power. The tires placed parallel are bound about with baling wire, and the hollow cores stuffed with further casings.

#### TERMS

Shippers from the United States quote against documentary letter of credit, with sale under irrevocable letter of credit arranged against a discount of 2 per cent. Normally terms are net c.i.f., subject to seven days' free storage, with additional storage charges for the account of the dealer.

A list of the several importers engaged in the trade is on file at the Department of Trade and Commerce, Ottawa. Firms in a position to quote on lots of 50 to 100 tons at G\$14 are advised to communicate with this office, or alternatively obtain the names of the importers from the Department (quoting file No. 14078). In the latter instance, copies of letters forwarded to importers should be transmitted to this office for its information and co-operation.

### MARKET IN BELGIUM FOR PULPWOOD AND OTHER ROUND TIMBER

MAURICE BÉLANGER, ASSISTANT TRADE COMMISSIONER

(One Belgian franc equals \$0.034; one fathom equals 216 cubic feet (6 by 6 by 6 feet).)

Brussels, November 21, 1936.—Belgium importers of pulpwood have recently shown a great deal of interest in Canada as a source of supply, of which total imports into Belgium amounted in the first nine months of 1936 to 17,700 fathoms valued at over 15,000,000 francs (\$500,000). The usual sources of supply of pulpwood are Russia and Finland, but the latter country has been reducing its shipments considerably in recent months and local importers at the present time

find themselves practically bound to place their orders in Russia, which holds a practical monopoly of the trade. In order to correct this situation and make the market more competitive, they are anxious to develop new sources of supply and are turning to Canada for the pulpwood which they would naturally import from Finland.

The following table shows to what extent Russian pulpwood is gaining ground on the Belgian market:—

*Imports of Pulpwood into Belgium*

	1934 Fathoms	1935 Fathoms	Jan.-Sept., 1936 Fathoms
Total imports . . . . .	12,467	25,547	17,683
From Russia . . . . .	6,459	17,201	16,353
Finland . . . . .	5,776	7,661	1,330
Canada . . . . .	232	222	.....

The small quantities shown as being imported from Canada were trial shipments, which did not prove satisfactory. Russian and Scandinavian shippers have set high standards in the preparation of their wood, especially as regards barking and elimination of knots and crooked pieces. When Belgian importers specify clean-peeled or bast-free wood, they mean wood peeled with draw knives and entirely free of the inner bark or bast, with all knots cut flush with the surface. There is a small demand for what is called in Canada sap-peeled wood. Such wood is said in Belgium to be barked but not peeled and, of course, sells at a lower price. It must be completely barked, but may retain the inner bark or bast. It must, however, be reasonably free of protruding knots and crooked pieces.

Another handicap to overcome is that all Russian or Finnish pulpwood is cut in lengths not exceeding  $3\frac{1}{2}$  feet, while it is usual in Canada to cut bolts 4 feet long. Few mills in Europe (only one in Belgium) can use 4-foot bolts, so that it will be necessary for Canadian shippers, if they wish to take advantage of the opportunities existing in Belgium, to cut their wood in 3 or  $3\frac{1}{2}$  feet lengths. It should also be remembered that the pulpwood imported from Russia and Finland is entirely spruce; in most cases Canadian pulpwood contains a certain percentage of balsam fir. In making offers Canadian shippers should state the maximum percentage of balsam fir which the shipment will contain and take care not to exceed it.

There are a number of agents in Belgium who are anxious to handle Canadian pulpwood, and offers forwarded to the Canadian Trade Commissioner at Brussels will be transmitted to them promptly. All offers should be c.i.f. Belgian ports in shillings per fathom of 216 cubic feet, and price should include  $5\frac{1}{2}$  per cent commission, discount and *del credere*. Shippers must arrange their own charters. The wood is always imported in complete shiploads of 1,000 to 2,000 fathoms, and while most ports are able to handle 2,000-fathom ships, the river port used by one of the largest purchasers has only sufficient depth to handle ships of which the capacity does not exceed 1,200 fathoms. The standard Belprops Charter is always used for shipments to Belgium.

**SPRUCE LOGS FOR BOX SHOOKS**

Imports of logs for making box shooks are not shown separately in Belgian import statistics, but this industry is highly developed and, although a certain amount of suitable lumber is found locally, fairly large quantities are imported. Spruce is usually imported for this purpose, but it is probable that mixed shipments of spruce and balsam would also be accepted. The logs are

imported sap-peeled in lengths of 8 to 14 feet, but mostly 8, 10, and 12 feet. Sizes usually specified are 8-inch and over diameter at small end, with an average of 11 to 12 inches and a tolerance of 5 per cent of logs between 7 and 8 inches. Prices should be quoted in shillings per fathom c.i.f. Antwerp or Ghent for ship-loads of 1,000 to 1,500 fathoms. Offers received from Canadian firms will be submitted by this office to interested parties.

### PIT PROPS

Imports of pit props into Belgium amounted to 65,062 fathoms in the first nine months of 1936. Of this quantity Russia supplied approximately 60 per cent compared to less than 25 per cent in the same period of 1935. Other chief supplying countries were Finland, Latvia, and France, but imports from these countries were much lower this year than last. The situation is roughly the same as for pulpwood: importers are anxious to develop new sources of supply in order to prevent this trade from becoming the monopoly of one country only. At present most of the pit props imported are of Northern pine, a variety which does not exist in Canada, but importers would be willing to consider offers of any varieties of pine, spruce, or fir. The props are imported sap-peeled.

Following are typical specifications for a shipment of pit props, showing percentage of each size:—

Length	Diameter in Inches at Small End	Percentage
7 feet . . . . .	3½ to 6½	15
8 feet . . . . .	3½ to 5	15
8 feet . . . . .	5½ to 9	15
10 inches . . . . .	3 to 5	30
10 inches . . . . .	5½ to 10	10
10½ inches . . . . .	7 to 10	10
11½ inches . . . . .	7 to 10	5

At the present writing, a shipment of this kind is quoted at 86s. per fathom c.i.f. Belgian ports. Imports of pit props into Belgium are under quota, but importers believe that if business became possible in Canadian props, the necessary licences could be obtained to import from the Dominion.

### LOGS FOR THE MANUFACTURE OF VENEER

This office has also had inquiries for large logs for veneer, a small quantity of which is imported into Belgium. Maple, birch, and poplar are particularly in demand, and offers from Canadian firms will be transmitted to interested agents and importers.

### LETTER POSTAGE TO BELGIUM

Mr. Yves Lamontagne, Canadian Trade Commissioner in Brussels, writes under date November 25, 1936, that the attention of exporters is drawn to the fact that the minimum postage to Belgium on first-class mail matter up to one ounce in weight is five cents and not three cents.

Any deficiency of postage is chargeable to the recipient at double rate and exporters are requested to take note of the fine involved in order to avoid any annoyance to Belgian firms on this score.

## TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour in Canada in the interest of Canadian trade with their respective territories: Mr. C. S. Bissett, formerly Trade Commissioner in North China and Manchuria, and Mr. G. B. Johnson, Glasgow.

Their itineraries are as follows:—

### Mr. Bissett

Calgary . . . . . Dec. 14

Edmonton . . . . . Dec. 15

### Mr. Johnson

Montreal . . . . . Dec. 8 to 22

Granby . . . . . Dec. 23

Quebec . . . . . Dec. 28

Fredericton. . . . . Dec. 30

St. John. . . . . Jan. 2 to 5

Bridgetown. . . . . Jan. 6

Halifax. . . . . Jan. 7 and 8

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Edmonton, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

## SWEDISH-LATVIAN CLEARING AGREEMENT

RICHARD GREW, CANADIAN TRADE COMMISSIONER

Oslo, November 23, 1936.—Under date June 13, 1936, the Swedish and Latvian Governments amended the clearing agreement which was signed on March 26, 1935, and went into force on April 1, 1935. The chief provisions of the amended agreement are as follows:—

### CLEARING INSTITUTIONS AND CURRENCY

Payments are to be effected through the medium of the Clearing Office of the Bank of Sweden and the Compensation Office of the Latvian Department of Finance, the currency in each case to be the Swedish kronor.

### METHOD OF OPERATION

Each institution is to collect payment for goods imported from the other country, which amounts are to be converted into Swedish kronor and credited to a non-interest bearing account set up in favour of the institution of the other country. The latest available rate of exchange quoted by the Bourse at Riga shall be used to convert Swedish kronor to lats, and lats to Swedish kronor. When a third currency is used, it shall be converted into Swedish kronor at the latest available rate of exchange quoted in Stockholm.

The amounts credited to the two clearing accounts in French francs, in accordance with the agreement of March 26, 1935, shall be converted to Swedish kronor at the latest available rate of exchange quoted on the Stockholm Bourse on June 12, 1936, which is the day prior to the coming into force of the amended agreement.

Each institution is to advise the other daily as to all payments made, so that the seller concerned may be reimbursed by the institution in his own country, in chronological order and within the limit of the funds available. Direct settlement may be permitted by mutual consent of the two institutions.

## CLASS OF GOODS

The agreement covers payments for goods which are imported from one country to the other, including incidental expenses such as transportation, insurance, commissions, etc.

## TERMINATION AND SETTLEMENT

The agreement is to remain in force until one party gives one month's notice of termination. The terms of the agreement remain in force after expiration until obligations have been liquidated.

# TARIFF CHANGES AND CUSTOMS REGULATIONS

## United Kingdom Tariff Changes

The Additional Import Duties (No. 30) Order and the Silk Duties (No. 2) Order of the United Kingdom provide for a customs duty of 100 per cent ad valorem on the following goods imported between December 15, 1936, and July 31, 1937, except when such goods are shown to be British Empire products within the meaning of the Imperial preference regulations:—

(1) Articles of all kinds suitable for use for or in connection with the celebration or commemoration of the Coronation of His Majesty or as souvenirs thereof, being articles which consist of, or bear, a representation of His Majesty, any member of the Royal Family, the Royal cypher, the Royal arms, any Royal emblem, escutcheon, badge, crest, armorial bearings or insignia, any article or building associated with the Coronation, or a flag of any country in the British Empire, or which consist of or bear any other mark or device which renders them suitable for use as aforesaid.

(2) Flags of any country in the British Empire and flags resembling any such flag.

British Empire products remain duty free unless when containing silk, in which case duties varying according to the proportion of silk in the article are chargeable at preferential rates. "Silk" includes artificial silk.

## Irish Free State Quotas on Rubber Goods

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that the Irish Free State has fixed the quotas, for the period January 1 to September 30, 1937, on pneumatic tire covers of certain specified sizes at 1,500 articles as against 1,200 articles for the year 1936, and on inner tubes at 4,000 articles as against 2,000 articles for the year 1936. For the period February 1 to September 30, 1937, a quota of 100 articles has been fixed for pneumatic tire covers of other specified sizes as against 1,100 articles for the previous twelve months' period.

The import quota for certain heeled rubber shoes has been fixed at 1,000 articles for the period January 1 to March 31, 1937, as against 50,000 articles for the previous six months' period. For the same period the import quota for all other rubber shoes and boots has been fixed at 50,000 articles as against 320,000 articles for the previous six months' period.

## Irish Free State Increases Duty on Sausage Casings

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by order of the Executive Council, effective November 18, 1936, the import duty on all sausage casings and gut used in the manufacture thereof has been increased from 9d. per pound (6d. per pound preferential rate) to a flat rate of 100s. per pound. This duty is designed to protect the domestic industry.

### Australian Tariff Decisions

Recent decisions of the Australian Customs as to the classification and rates of import duty on articles regarding which question had been raised include the following:—

Motor mechanisms including motors, imported separately, for use in gramophones, phonographs, and other talking machines, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff. (By-law under Tariff Item 174Y.)

Drinking straws, manufactured from cellulose transparent wrapping paper, 45 per cent ad valorem under British preferential tariff, 65 per cent under general tariff. (Item 340C.)

Cellophane bags, composed of cellophane reinforced with large mesh cordage and equipped with handles of similar material (used for conveying small quantities of goods such as confectionery), 45 per cent under British preferential, 65 per cent under general tariff. (Item 340C.)

Window shade fabric, impregnated with nitro-cellulose, in plain flat surface without pattern thereon, for use in the manufacture of window blinds, 5 per cent under British preferential, 20 per cent under general tariff. (By-law under Item 434.)

Hooks and eyes, for use in the manufacture of corsets and brassieres (when not in fancy boxes), free under British preferential, 15 per cent under general tariff. (Item 210B.)

Lingerie clasps, being strips of celluloid with metal press stud fasteners at ends, 20 per cent under British preferential, 50 per cent under general tariff. (Item 106E3.)

Foam generating powders for use in fire extinguishers (on declaration that they will be used only for such purpose), free under British preferential, 20 per cent under general tariff. (By-law under Item 278D.)

Paper felt, in rolls, for the manufacture of roofing felts and flooring felts, impregnated with oil or bitumen, free under British preferential, 15 per cent under general tariff. (By-law under Item 404.)

The by-law under Item 404 providing for the admission of "clothes wringers" for the manufacture of "electric clothes washing machines, household type," free under British preferential and 15 per cent under general tariff, has been cancelled. The duties on "clothes wringers for household use" imported in the ordinary way of trade is 25 per cent under British preferential and 52½ per cent under general tariff, with provision for increasing duty as present Australian exchange depreciation is rectified. (Item 172B.)

Canadian goods under the above-quoted items are entitled to British preferential rates; goods from all countries outside the British Empire are under the general tariff.

### Netherlands Abolishes Import Restrictions on Cocoa Mats and Stair Carpets

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, advises that by royal decree, effective November 19, 1936, the restrictions on the importation into the Netherlands of cocoa mat floor coverings and stair carpets have been abolished. Formerly imports for the period August 1, 1936, to July 31, 1937, were restricted to 100 per cent of twelve times the average gross weight imported per month from each exporting country during the period December 1, 1934, to July 31, 1935.

### Netherlands Tax on Fish and Meat Meal

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, writes under date November 26 that, by virtue of a ministerial order, effective November 25, 1936, the monopoly tax on fish meal and meat meal when imported into the Netherlands, to which reference was made in *Commercial Intelligence Journal* No. 1651 (September 21, 1935), page 504, has been decreased from fl. 1.50 to fl. 0.75 per 100 kilos.

### Modus Vivendi Between United Kingdom and El Salvador Prolonged

Mr. S. G. MacDonald, Acting Trade Commissioner in Mexico City, reports under date December 1, 1936, that under an exchange of notes of July 22, 1936, between the United Kingdom and El Salvador it was agreed that the most-favoured-nation treatment hitherto mutually accorded under a *modus vivendi* between the two countries due to expire on December 16, 1936, shall be prolonged for a further period of twelve months from that date.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DECEMBER 7

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 7, and for the week ending Monday, November 30, 1936, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending November 30	Nominal Quotations in Montreal Week ending December 7	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1865	\$ .1868	3½
Belgium . . . . .	Belga	.1001	.1687	.1691	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0353	.0353	3
Denmark . . . . .	Krone	.2680	.2184	.2185	4
Finland . . . . .	Markka	.0252	.0216	.0216	4
France . . . . .	Franc	.0392	.0465	.0465	2
Germany . . . . .	Reichsmark	.2382	.4015	.4020	4
Great Britain . . . . .	Pound	4.8666	4.8937	4.8937	2
Greece . . . . .	Drachma	.0130	.0090	.0090	7
Holland . . . . .	Guilder	.4020	.5427	.5435	2
*Hungary . . . . .	Pengo	.1749	.2949	.2953	4
Italy . . . . .	Lira	.0526	.0525	.0526	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0230	5
Norway . . . . .	Krone	.2680	.2458	.2458	3½
Poland . . . . .	Zloty	.1122	.1879	.1883	5
Portugal . . . . .	Escudo	.0442	.0443	.0445	4½
Roumania . . . . .	Leu	.0060	.0073	.0073	4½
Spain . . . . .	Peseta	.1930	.....	.....	5
Sweden . . . . .	Krona	.2680	.2522	.2523	2½
Switzerland . . . . .	Franc	.1930	.2294	.2297	1½
United States . . . . .	Dollar	1.0000	.9981	.9993	1½
Mexico . . . . .	Peso	.4985	.2770	.2773	4-5
Cuba . . . . .	Peso	1.0000	.9972	.9986	—
Guadeloupe . . . . .	Franc	.0392	.0465	.0465	—
Jamaica . . . . .	Pound	4.8666	4.9037	4.9037	—
Martinique . . . . .	Franc	.0392	.0465	.0465	—
Other British West Indies	Dollar	1.0138	1.0195	1.0195	—
Argentina . . . . .	Peso (Paper)	.4245	.3260	.3262	3½
Brazil . . . . .	Milreís (Paper)	Unofficial	.2765	.2878	—
		.1196	.0866	.0866	—
		Unofficial	.0586	.0594	—
British Guiana . . . . .	Dollar	1.0138	1.0195	1.0195	—
Chile . . . . .	Peso	.1217	.0516	.0517	4½
		Unofficial	.0416	.0417	—
Colombia . . . . .	Peso	.9733	.5718	.5735	4
Peru . . . . .	Sol	.2800	.2495	.2498	6
Venezuela . . . . .	Bolivar	.1930	.2495	.2498	—
Uruguay . . . . .	Peso	1.0342	.7975	.7995	—
South Africa . . . . .	Pound	4.8666	4.8875	4.8875	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.0100	5.0069	—
China (Shanghai) . . . . .	Dollar	.....	.2954	.2951	—
Hongkong . . . . .	Dollar	.....	.3046	.3050	—
India . . . . .	Rupee	.3650	.3695	.3697	3
Japan . . . . .	Yen	.4985	.2855	.2840	3.29
Java . . . . .	Guilder	.4020	.5425	.5454	—
Siam . . . . .	Baht (Tical)	.4424	.4477	.4480	—
Straits Settlements . . . . .	Dollar	.5678	.5739	.5735	—
Australia . . . . .	Pound	4.8666	3.9150	3.9150	—
New Zealand . . . . .	Pound	4.8666	3.9462	3.9465	2½
		* Unofficial:	.1973	.1978	—

The Dominion Bureau of Statistics has supplied the following note:—

The Canadian dollar declined slightly in terms of the majority of leading currencies during the first week of December. Gold continued to flow in small quantities from London to New York, but sterling exchange showed little reaction to this indication of pressure. British security markets were steadier as the week closed, after having slumped in the opening days of the month. Montreal discounts on New York funds have practically disappeared. The Japanese yen was among the few currencies to be quoted lower at Montreal during the first week of December.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Kitchener, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Municipal Affairs Department, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Edmonton, Alta.  
Winnipeg, Man.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Miscellaneous—</b>			
Agricultural Seeds.....	766	Worcester, England.....	Purchase.
Fish Meal.....	767	Bristol, England.....	Purchase or Agency.
Rubber Products.....	768	Birmingham, England....	Agency.
White Corrugated Paper.....	769	Hongkong.....	Purchase.
Store Window Fittings.....	770	Port of Spain, Trinidad....	Purchase.
Soda Fountains and Fittings....	771	Port of Spain, Trinidad....	Agency.
Spinning Asbestos.....	772	Sao Paulo, Brazil.....	Agency.
Feldspar and Quartz.....	773	Cardiff, Wales.....	Purchase and Agency.

## CERTIFICATES OF ORIGIN FOR BRITISH PREFERENCES

Canadian exporters are reminded of the importance of supplying correct certificates of origin for goods entitled to preferential tariff treatment in Empire countries. The regulations to be observed vary enough to preclude use of uniform documentation for the different British markets. As regards the principal market, the United Kingdom, goods regarded as growth or produce require 100 per cent Empire content; optical goods and parts require 75 per cent; a selected list of manufactured goods (see F.T.D. Leaflet No. 95) require 50 per cent; for other manufactured goods 25 per cent Empire content suffices. A small number of ingredients must qualify independently for preference. Each "article" is subject to the preference test separately, so that when machinery, etc., is shipped to the United Kingdom knocked-down each separate assembly or part must qualify in itself to be entitled to preference. Notice 27A of the London Custom House, issued in March, 1935, prescribes appropriate forms as follows: D, 119 (Sale), for growth or produce; E, 120 (Sale), for manufactured goods; F, 121 (Sale), for manufactured tobaccos and sugars; FF, 122 (Sale), a supporting certificate for ingredients.

## PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

### From Halifax

*To Liverpool.*—Montclare, Dec. 19; Montrose, Dec. 26; Montcalm, Jan. 2; Duchess of Atholl, Jan. 9; Duchess of Bedford, Jan. 16—all Canadian Pacific; Newfoundland, Furness Line, Dec. 24; Alaunia, Cunard-White Star Line, Jan. 5.

*To London.*—Beaverburn, Dec. 18; Beaverford, Dec. 25; Beaverbrae, Jan. 1; Beaverhill, Jan. 8; Beaverdale, Jan. 15—all Canadian Pacific; Ausonia, Dec. 27; Antonia, Jan. 3; Andania, Jan. 17; Ascania, Jan. 24—all Cunard-White Star Line; City of Flint (calls at Dundee), American Hampton Roads, Dec. 24.

*To Manchester.*—Manchester Producer, Dec. 19; Manchester Division, Dec. 26; Manchester Citizen, Jan. 2; Manchester Exporter, Jan. 2; Manchester Regiment, Jan. 9; Manchester Commerce, Jan. 16—all Manchester Line.

*To Cardiff, Bristol and Swansea.*—Montreal City, Dec. 21; Boston City, Jan. 4; New York City, Jan. 18—all Bristol City Line.

*To Aberdeen, Newcastle and Hull.*—Kelso, Dec. 19; Kyno, Jan. 10—both Ellerman's Wilson Line.

*To Avonmouth, Cardiff and Swansea.*—Dakotian, Dec. 28; Norwegian, Jan. 11—both Cunard-Donaldson and Dominion Lines.

*To Glasgow.*—Delilian, Dec. 19; Dorelian, Jan. 2; Sulairia, Jan. 16—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnesk, Dec. 17; Cairnglen, Dec. 31; Cairnross (calls at Dundee), Jan. 14—all Cairn-Thomson Line.

*To Antwerp.*—Beaverburn, Dec. 18; Beaverhill, Jan. 8—both Canadian Pacific.

*To Hamburg.*—Beaverburn, Dec. 18; Beaverdale, Jan. 15—both Canadian Pacific; City of Flint, American Hampton Roads, Dec. 24.

*To Copenhagen and Baltic Ports.*—Batory (calls at Gdynia), Gdynia-America Line, Dec. 14; Svaneholm, Swedish-America-Mexico Line, Jan. 9.

*To Gothenburg.*—Svaneholm, Jan. 9; Drottningholm, Jan. 22—both Swedish-America Line.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Belle Isle, Newfoundland-Canada SS. Ltd., Dec. 14; Fort Amherst, Furness-Red Cross Line, Dec. 21; Portia (does not call at St. Pierre), Newfoundland Ry. & SS. Co., Dec. 23; Newfoundland (does not call at St. Pierre), Furness Line, Dec. 24.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, Dec. 17; Lady Hawkins, Dec. 31; Lady Drake, Jan. 14—all Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion SS. Corp., January.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Chomedy, Dec. 26; Colborne, Jan. 23—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Cathcart (does not call at Hamilton or Nassau), Dec. 17; Lady Rodney, Dec. 24; Cavalier (does not call at Hamilton or Nassau), Dec. 31; Lady Somers, Jan. 7—all Canadian National.

*To Santiago (Cuba) and Kingston (Jamaica).*—Ciss, Dec. 16; Kirsten B, Dec. 30—both Pickford & Black SS. Line.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Malayan Prince, Dec. 19; Silvertark, Jan. 2; Cingalese Prince, Jan. 16—all Silver-Prince Line.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Armada, Dec. 28; Ardenvoehr, Jan. 29—both Montreal-Australia-New Zealand Line.

*To Auckland, Wellington, Lyttelton and Dunedin.*—Canadian Highlander, Dec. 21; City of Glasgow, Jan. 21—both Montreal-Australia-New Zealand Line.

### From Saint John

*To Liverpool.*—Montclare, Dec. 18; Montrose, Dec. 25; Montcalm, Jan. 1; Duchess of Atholl, Jan. 8; Duchess of Bedford, Jan. 15—all Canadian Pacific.

*To London.*—Beaverburn, Dec. 17; Beaverford, Dec. 24; Beaverbrae, Dec. 31; Beaverhill, Jan. 7; Beaverdale, Jan. 14—all Canadian Pacific.

*To London, Antwerp and Rotterdam.*—Ravnefjell, Dec. 31; a steamer, Jan. 21—both J. Brock Shipping Co.

*To Manchester.*—Manchester Producer, Dec. 17; Manchester Division, Dec. 24; Manchester Citizen, Dec. 31; Manchester Regiment, Jan. 7; Manchester Commerce, Jan. 14—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Dakotian, Dec. 26; Norwegian, Jan. 9—both Cunard-Donaldson and Dominion Lines.

*To Newcastle and Leith.*—Cairnesk, Dec. 15; Cairnglen, Dec. 29—both Cairn-Thomson Line (call at Dundee).

*To Glasgow.*—Delilian, Dec. 17; Dorelian, Dec. 31; Sulairia, Jan. 14—all Donaldson-Atlantic Line.

*To Dublin and Belfast.*—Kenbane Head, Dec. 18; Melmore Head, Jan. 10—both Head Line (cargo accepted for Cork).

*To Antwerp.*—Beaverburn, Dec. 17; Beaverhill, Jan. 7—both Canadian Pacific.

*To Rotterdam and Havre.*—A steamer, County Line, January.

*To Hamburg.*—Beaverburn, Dec. 17; Beaverdale, Jan. 14—both Canadian Pacific.

*To Barcelona, Marseilles, Genoa, Naples, Messina, Palermo, Valencia and Seville.*—Capo Lena, Capo Line, Dec. 19 and Feb. 6.

*To Montevideo and Buenos Aires.*—Nordkap, Canada-South America Line, Dec. 20; Flint II (calls at Santos but not at Montevideo), International Freighting Line, Dec. 23.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, Dec. 23; Lady Drake, Jan. 6; Lady Nelson, Jan. 20—all Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Ada, Ocean Dominion SS. Corp., Dec. 16.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—City of Ripon, Dec. 15; City of Khios, Dec. 30; City of Eastbourne, Jan. 15—all Ellerman & Bucknall SS. Co.

*To Cape Town, Port Elizabeth, East London and Durban.*—Eurypylus, Dec. 20; Siltion Hall, Dec. 25; Mattawin (calls at Freetown, Walvis Bay, Lourenco Marques and Beira), Dec. 30—all Elder Dempster Lines Ltd.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Heian Maru, Dec. 26; Hikawa Maru, Jan. 13; Hiye Maru, Jan. 23—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Russia (calls Nagsasaki), Dec. 18; Empress of Japan (calls Honolulu), Jan. 9; Empress of Asia (calls Nagsaki), Jan. 19; Empress of Canada (calls Honolulu), Feb. 20—all Canadian Pacific; Tyn-dareus, Dec. 26; Ixion, Jan. 30; Talthybius, Feb. 27—all Blue Funnel Line (call at Miike but not at Manila).

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Hopecrest, Dec. 31; Kota Agoeng, Jan. 31—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Aorangi, Canadian-Australasian Line, Dec. 30.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden Cloud (calls at Lyttelton and Dunedin if sufficient cargo offered), Dec. 20; Golden West, Jan. 16—both Oceanic and Oriental Navigation Co.

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Hauraki (calls at Papeete). Canadian-Australasian Line, Dec. 31.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Anten, Empire Shipping Co., Dec. 14.

*To Sydney, Melbourne and Adelaide.*—Wearpool, December; Anglo Peruvian, December; King James, January—all Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Lochgoil, Dec. 26; Delftdyk, Jan. 9; Lochkatrine, Jan. 23; Lochmonar (calls at Glasgow), Feb. 6; Dinteldyk, Feb. 20—all Holland-America Line.

*To London, Liverpool and Cardiff.*—A steamer, Reardon Smith Line, January.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—A steamer, Empire Shipping Co., January.

*To Scandinavian Ports.*—A steamer, Johnson Line, January.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Fella, Empire Shipping Co., Dec. 31.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., December.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—A steamer, Silver-Java Pacific Line, January.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—A steamer, Dec. 28; Hardanger, Jan. 28—both Empire Shipping Co.

### From New Westminster

*To United Kingdom Ports.*—Beljeanne, Dec. 15; Knoxville City, Dec. 16—both B. W. Greer & Son Ltd.; Benjamin Franklin, Dec. 24; Knute Nelson, Jan. 12—both Anglo-Canadian Shipping Co.

*To London, Liverpool and Glasgow.*—Damsterdyk, Dec. 14; Lochgoil, Dec. 28—both Royal Mail Lines Ltd. (call at Southampton and Rotterdam); Pacific Grove (calls at Manchester), Furness Line, Dec. 17; Albion Star (calls at Rotterdam and Dublin), American Mail Line Ltd., Dec. 21; Gracia, Balfour Guthrie & Co., Dec. 26.

*To Havre, Rotterdam, Liverpool and Glasgow.*—California Express, B. W. Greer & Son Ltd., Dec. 28.

*To Australian Ports.*—Hauraki, Canadian-Australasian Line, Dec. 21; Preneiro, Anglo-Canadian Shipping Co., Dec. 24.

*To Japanese Ports.*—Heian Maru, Dodwell & Co., Ltd., Dec. 17.

*To South African Ports.*—Mapia, Dingwall Cotts Co., Jan. 5.

*To Manila and Iloilo.*—Hopecrest, Dec. 26; Kota Agoeng, Jan. 25—both Dingwall Cotts & Co.

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

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## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

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Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

### MISCELLANEOUS

- Annual Report of the Department of Trade and Commerce. (Price 25 cents.)
- Annual Report of the Board of Grain Commissioners for Canada. (Price 25 cents.)
- Annual Report of the Electricity and Gas Inspection Services. (Price 25 cents.)
- Annual Report of Dominion Grain Research Laboratory. (Price 10 cents.)
- List of Licensed Elevators, etc. (Price 50 cents.)
- Motion Pictures, Catalogue of. (Price 25 cents.)

### PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

NOTE.—Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. Although subscribers to the Commercial Intelligence Journal are entitled to receive such reports free of charge, in all other cases their distribution is controlled by the King's Printer, who fixes a price therefor as indicated in the following list:—

**Commercial Intelligence Journal Weekly (in English and French), containing Reports of Trade Commissioners and other Commercial Information.** Annual Subscription: In Canada, \$1; single copies, 5 cents. Outside Canada, \$3.50; single copies, 10 cents.

**Australian Market for Fish Products (1931).**

**French-Canadian Homespun Industry.**

**Greece as a Market (1931).** (Price 25 cents.)

**Invoice Requirements: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.**

**Map of the World showing Trade Routes. (1930 Edition.)**

**Markets of Central America (1929).** (Price 25 cents.)

**Points for Exporters: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.**

**Sweden as a Market for Canadian Products (1928).** (Price 25 cents.)

**Switzerland as a Market (1929).** (Price 25 cents.)

**Trade of the African Sub-Continent (1928).** (Price 25 cents.)

**Trade Possibilities of the Baltic States (1929).** (Price 25 cents.)

**Trading with Colombia and Venezuela (1928).** (Price 25 cents.)

**Jugoslavia as a Market (1930).** (Price 25 cents.)

### PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:  
**Census of Canada.**

**Miscellaneous Statistics respecting the following: Business; Education; Employment; Finances (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces.**

**Canada, 1936.** (Price 25 cents.)

**Canada Year Book.** (Price \$1.50).

**Report of the Dominion Statistician, Annual.** (Price 10 cents.)

**Trade (External), (Imports and Exports)—Annual Reports: Fiscal Year (price \$3), Calendar Year (price 50 cents); Quarterly Report (price \$2 per annum); Monthly Report (price \$1 per annum.)**

**Trade (Internal)—Retail and Wholesale Trade. Capital Movements and Balance of Payments, Prices and Cost of Living.** (Price 50c. per annum.)

**Monthly Review of Business Statistics.** (Price \$1 per annum.)

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. (Territory covers Central China, North China, and Manchuria.) *Cable address, Canadian.*

### Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building. Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

### Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

### Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

### India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

### Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

# CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

## Japan

*Tokyo:* J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

*Kobe:* ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

## Mexico

ACTING TRADE COMMISSIONER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

## Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

## New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

## Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

## Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

## Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

## South Africa

*Cape Town:* G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

*Johannesburg:* J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

## United Kingdom

*London:* FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

*London:* J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

*London:* W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

*London:* W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilcon.*

*Liverpool:* H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

*Bristol:* FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

*Glasgow:* G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

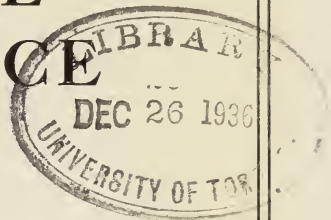
## United States

*New York City:* D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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# COMMERCIAL INTELLIGENCE JOURNAL



Vol. LV

Ottawa, December 19, 1936

No. 1716



Canadian Wheat being unloaded by Bucket at Piraeus, Greece

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LV

Ottawa, December 19, 1936

No. 1716

## UNITED STATES BEEF CATTLE OUTLOOK FOR 1937

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York City, December 2, 1936.—In view of the importance which the United States imports of beef cattle have assumed in Canada-United States trade, the following survey of the beef cattle situation in the United States may prove of interest to Canadian cattle shippers.

### UNITED STATES CATTLE IMPORTS AND QUOTAS

Total United States imports of live cattle, calves, canned beef, and fresh and frozen beef during the first eight months of the year, when converted to a live-weight equivalent, were equal to about 4.2 per cent of the estimated live weight of all cattle and calves slaughtered in this country during the same period. According to the Bureau of Agricultural Economics at Washington, the increase in imports of cattle and beef in the period January to August, 1936, over the corresponding months of 1935 was equivalent to 1.1 per cent of the total slaughter of cattle and calves during this period.

### CATTLE IMPORTS INTO THE UNITED STATES

The following table shows the United States imports of cattle for the January-September period of 1936, compared with the similar period of 1935:—

Country of Origin		Jan.-Sept., 1936	Jan.-Sept., 1935
Cattle—		No.	No.
For breeding:			
Canada..		7,063	9,792
Mexico ..		556	171
United Kingdom ..		156	146
Other countries..		.....	9
Other edible:			
Canada—Over 700 pounds ..		137,330	56,781
175 pounds to 700 pounds. ..		23,084}	
Under 175 pounds ..		52,266}	36,690
Mexico—Over 700 pounds ..		21,267	2,867
175 pounds to 700 pounds ..		118,013}	
Under 175 pounds..		1,608}	172,600
Other countries—			
Over 700 pounds ..		100	15
175 pounds to 700 pounds ..		607}	
Under 175 pounds..		1}	14

For the first eight months of this year imports of dutiable cattle and calves were 28 per cent larger than in the corresponding period of 1935. Compared with 1929, when import duties were lower and domestic cattle prices higher, the imports for 1936 were slightly smaller. The increase in cattle imports thus far in 1936 has been entirely in the class of cattle weighing 700 pounds and over.

### IMPORT DUTIES

Under the Canada-United States Trade Agreement the duty was lowered from 3 cents to 2 cents per pound, but the number of cattle weighing 700 pounds or over to enter under the 2-cent rate was limited to 155,799 head, after which

the old rate of 3 cents per pound was to apply. Nearly 90 per cent of the imports of this class of cattle in 1936 came from Canada, as has been the case in previous years, and by early October the quota of 155,799 head had been filled.

During 1936 imports of cattle weighing less than 175 pounds have come principally from Canada. The United States rate of duty on this class of cattle was reduced from 2½ cents per pound to 1½ cents per pound under the Canada-United States Trade Agreement. However, a quota on this type of cattle was set at 51,933 head and was filled in the early part of August. Since that time the full rate of 2½ cents per pound has applied to cattle under 175 pounds.

DUTIABLE IMPORTS FROM CANADA AND MEXICO

The following table shows the dutiable imports of cattle into the United States from Canada and Mexico, and average farm prices, averages 1925-29, 1930-34, annual 1935, and January-to-August period of 1935 and 1936:—

Period	Canada	Mexico	Total from Canada and Mexico	Weighted Average Farm Price of Beef Cattle Per Lb. Cents
Averages:	Head	Head	Head	
1925-29 .. . . . . .	224,300	143,079	367,379	7.63
1930-34 .. . . . . .	16,816	91,278	108,094	4.87
1929 .. . . . . .	247,876	244,733	492,609	9.15
1935 .. . . . . .	112,720	251,090	363,810	6.24
January to August:				
1935 .. . . . . .	84,069	171,999	256,068	6.28
1936 .. . . . . .	196,361	135,061	331,422	6.01

Although the reduction in the United States rate of duty probably was responsible for a part of the increase in cattle imports, it is likely that imports of cattle from Canada for 1936 would have increased considerably even if there had been no change in the duty. Favourable returns from feeding in the winter and spring of 1934-35, due to the high prices obtainable in the United States markets, led to a further expansion of cattle feeding in Canada in 1935-36, as was also the case in this country. The large shipments of Canadian cattle to the United States during the first half of 1936 were partly a result of this increased feeding.

The number of cattle imported into the United States in 1937 will depend upon two factors, the first being the level of domestic prices; and the second, the supply of Canadian cattle available for shipment. Cattle prices in this country for 1937 are expected to be higher than in 1936. On the other hand, it appears that the number of cattle fed in Canada this fall and winter will be smaller than a year earlier due to the reduced Canadian feed supplies and the unfavourable results of cattle-feeding last year. Consequently the outlook is that total imports of cattle from Canada for the first half of 1937 will probably be no larger and may be smaller than during the first half of 1936.

CATTLE SUPPLIES

The number of cattle on farms in the United States reached an all-time peak at the beginning of January, 1934. Since then the number was reduced sharply during 1934, and slightly during 1935. However, the number on January 1, 1936, was 10,891,000 head larger than the number on January 1, 1928, the low point of the present cattle-number cycle. The following table shows the estimated number of cattle on farms for selected years from 1920 to 1936:—

Year	Milk Stock	Other Cattle	All Cattle
1920 .. . . . . .	30,254,000	40,181,000	70,435,000
1925 .. . . . . .	31,058,000	32,315,000	63,373,000
1928 .. . . . . .	31,146,000	26,176,000	57,322,000
1930 .. . . . . .	33,154,000	27,855,000	61,009,000
1932 .. . . . . .	35,549,000	30,121,000	65,770,000
1934 .. . . . . .	38,114,000	36,148,000	74,262,000
1935 .. . . . . .	36,587,000	31,642,000	68,229,000
1936 .. . . . . .	35,952,000	32,261,000	68,213,000

## DECREASE IN NUMBER OF CATTLE ON FARMS

The Bureau of Agricultural Economics expects that the number of cattle on farms on January 1, 1937, will show a further decrease, the extent of the reduction depending on the number of cattle and calves slaughtered during the remainder of this year. For the first nine months of 1936 there were 7,877,000 head of cattle slaughtered, the second largest for the period on record. The slaughter of calves amounted to 4,514,000 head, and the combined slaughter totalled 12,391,000 head. Heavy marketing of both cattle and calves from all the areas where feed production was greatly curtailed by the 1936 drought is expected to continue to the end of the year. In the majority of other areas high prices of feed grains and of hay roughage will cause a close culling of dairy and farm herds. Taking this into consideration, the total slaughter of 1936 cattle and calves under Federal inspection is estimated at 17,500,000 head, or about 1,500,000 head more than the largest commercial slaughter in any other year on record.

## ALTERATION IN CLASS OF CATTLE SLAUGHTERINGS

During the first eight months of 1936 the class of the slaughter supply of cattle was considerably different from that in the corresponding period of 1935. There was a larger proportion of all steers, and especially of fed steers of the better grades, than last year, but this was below average. At the same time the proportion of cows slaughtered was correspondingly reduced. However, in actual numbers, the slaughter of cows was larger this year than last and was the largest for the period in the fifteen years of record.

It is expected that the slaughter of both cattle and calves in 1937 will be much smaller than in 1936 and under the 1935 and 1934 slaughters. However, it will likely be above the average for the five years 1929-33. The 1937 slaughter supply will include a relatively smaller number and proportion of the better grades of fed cattle.

## FEWER CATTLE TO BE FED FOR THE 1937 MARKET

The number of cattle to be grain-finished for market during the winter feeding season of 1936-37 and during the spring and summer of 1937 will be much smaller than a year earlier, and may be no larger than the number fed after the 1934 drought. This can be attributed to the small supplies and relatively high prices of feed grains and concentrates, and the higher prices of hay and roughage. Most of this reduction will take place in the Corn Belt States, especially west of the Mississippi river, where the corn crop was severely damaged by the drought.

The results of feeding operations for 1936 will be determined by the advance which takes place in the prices of fat cattle during the next few months. Feeding cattle that were marketed between February and August of this year proved to be unprofitable to the producer. However, the spread between prices of slaughtered steers and of stocker and feeder steers was unusually narrow during the spring and early summer. This spread widened during August and September, but in view of the high prices of feed grains the prices of stocker and feeder cattle remained high relative to prices of fat cattle.

The average market price of stocker and feeder steers from July to September was only about \$1.50 per 100 pounds lower than for the corresponding period of 1935. Since the reduction in the price of feeder cattle will not offset the higher costs of feed, except possibly with cattle fed for a very limited period, the total cost of producing grain-finished cattle (cost of unfinished cattle plus the cost of feed) will be considerably higher during the 1936-37 feeding season than it was during the 1935-36 season. Hence, cattle prices will have to be substantially higher in 1937 than in 1936 if cattle feeding is to be on a profitable basis.

## CATTLE PRICES

The following table shows the prices of steers at Winnipeg, Toronto, and Chicago, and the spread between prices at Chicago and Winnipeg and Chicago and Toronto by months, November, 1934, to September, 1936:—

Year	Winnipeg Good Steers	Toronto Good Steers	Chicago Average Good and Medium Steers	Spread between Chicago and Winnipeg Prices	Chicago and Toronto Prices
1934—					
November .. . . .	3.54	4.90	6.44	2.90	1.54
December .. . . .	3.85	5.45	6.89	3.04	1.44
1935—					
January .. . . .	4.18	5.55	8.75	4.57	3.20
February .. . . .	5.07	5.94	9.98	4.91	4.04
March .. . . .	5.83	6.74	10.46	4.63	3.72
April .. . . .	6.26	7.08	10.90	4.64	3.82
May .. . . .	6.81	7.19	10.69	3.88	3.50
June .. . . .	6.21	6.75	9.85	3.64	3.10
July .. . . .	5.65	6.39	9.26	3.61	2.87
August .. . . .	5.38	6.54	9.58	4.20	3.04
September .. . . .	4.72	6.75	9.66	4.94	2.91
October .. . . .	4.38	5.92	9.68	5.30	3.76
November .. . . .	4.69	5.74	9.38	4.69	3.64
December .. . . .	4.83	6.29	9.42	4.59	3.13
1936—					
January .. . . .	4.81	6.29	9.23	4.42	2.94
February .. . . .	4.28	6.30	8.62	4.34	2.32
March .. . . .	4.58	5.48	8.62	4.04	3.14
April .. . . .	4.60	5.48	8.30	3.70	2.82
May .. . . .	4.41	5.16	7.76	3.35	2.60
June .. . . .	4.43	5.32	7.53	3.10	2.21
July .. . . .	4.54	5.33	7.81	3.27	2.48
August .. . . .	4.94	5.34	7.90	2.96	2.56
September .. . . .	4.70	5.57	8.36	2.79	2.36

The comparison of cattle prices at Winnipeg and Toronto with those at Chicago for the period in the above table indicates that the changes in the prices at the Canadian markets tended to follow the changes in prices at Chicago fairly closely but with a slight lag. It may be noticed from the table that the spread between cattle prices in Canada and the United States increased greatly from late 1934 to early 1935 and continued relatively wide in the remainder of 1935. During 1936 the spread tended to narrow, with the decrease in spread between Chicago and Toronto larger than that between Chicago and Winnipeg.

## THIS YEAR'S PRICE DECLINE FOR BETTER GRADES

From mid-January to mid-June of this year the prices of the better grades of slaughter cattle experienced one of the most severe declines on record. During the period the weekly average price of choice and prime grades of beef steers at Chicago dropped from \$13.27 to \$8.24 per 100 pounds. This decline, which was much greater than the usual seasonal decline, was due in a large measure to the greatly increased market supplies of grain-fed cattle. Since mid-June a moderate recovery has occurred, but prices are still much below those of a year earlier.

Prices of lower grades of slaughtered steers and butcher cattle were fairly steady from January to October, the October prices being only slightly below those of both mid-January, 1936, and a year earlier. The average prices of all slaughtered cattle was only slightly lower in the first nine months compared with the corresponding period of 1935.

## FEDERAL-INSPECTED SLAUGHTERINGS

The total live weight of cattle slaughtered under Federal inspection during the first nine months of 1936 was 18 per cent greater than that of the same period of last year. The following table gives a comparison of the slaughtered cattle under Federal inspection for the nine-month period January to September; number of head, total live weight, average price and total amount paid by packers, five-year average 1928-32, and years 1934-36:—

Nine Months January to September	Federally Inspected Slaughter <sup>1</sup> Number				Average Price Per 100 Lbs. <sup>2</sup>		Total Cost to Packers <sup>1</sup>	
	Live Weight							
	Cattle Million Head	Calves Million Head	Cattle Million Pounds	Calves Million Pounds	Cattle \$	Calves \$	Cattle \$ Million	Calves \$ Million
Av'ge. 1928-32.	6.0	3.5	5,736	601	8.56	9.64	491	58
1934 . . . . .	7.3	4.6	6,776	831	4.66	4.72	316	39
1935 . . . . .	6.7	4.2	6,116	768	6.80	6.97	416	54
1936 . . . . .	7.9	4.5	7,281	843	6.36	7.14	463	60

<sup>1</sup> Excludes cattle and calves purchased by Federal Government for drought relief, 1934-36.

<sup>2</sup> Computed from unrounded figures.

#### PROSPECTS OF BETTER AVERAGE PRICES

The expected decrease in market supplies of well-finished cattle in late 1936 and early 1937 is likely to be accompanied by further advances in the prices of such cattle. Prices of the lower grades of slaughter cattle are not likely to change very much during the remainder of this year, but in the first half of 1937 they will probably advance as much as usual for that period, since the slaughter supplies of hogs will be much smaller than average.

In general, it appears that the reduced supplies of cattle and hogs for slaughter, the likely improvement in consumer demand for meats, and the stronger demand for breeding stock will result in average prices for cattle of all kinds being higher in 1937 than those which prevailed in 1936. The advance over the 1936 level will probably be greater in the second half of 1937 than in the first half.

#### CATTLE PRODUCTION OUTLOOK

The number of cattle at the beginning of 1937 may be somewhat smaller than that of a year earlier and considerably smaller than the peak number of 1934, but will be much larger than the January 1 average for the last fifteen years. There will be a strong tendency on the part of cattle raisers, especially in the areas most severely affected by the 1936 drought, to restock and increase their herds if range and pasture conditions are favourable in the coming year.

#### AREAS AFFECTED BY RECENT REDUCTION IN NUMBERS

The reduction of cattle numbers from the peak of January 1, 1934, to the number on January 1, 1936, was in the area west of the Mississippi River and was mostly cattle other than milk stock. The region most seriously affected by the drought this year is the West North Central States, and it is here that most of the reduction in cattle numbers during 1936 has taken place. The area east of the Mississippi River has not suffered to nearly the same extent as that west of the river. The reduction in the number of cattle in the eastern area will be much less than that for the western section.

It is expected that with prospects good for fairly high cattle prices in 1937 and for the next few years, the number of cattle will tend to increase for several years. However, cattle numbers for the whole country can increase only when the number of calves born plus imports of cattle and calves exceeds the total cattle and calf slaughter and death losses. Slaughter is usually the most important of these items in determining the trends in numbers.

At the end of 1936 the number and classification of cattle on farms will still be such as to allow a slaughter under Federal inspection of about 15,000,000 head of cattle and calves and a total slaughter of about 24,000,000 head without causing a reduction in numbers. This would be much smaller than the estimated slaughter for 1936. If cattle numbers increase during the next few years, it is probable that inspected slaughter would be less than 15,000,000 head, and prices during these years would be even more favourable. At the end of three years, however, when hog slaughter may again reach a volume equal to the 1929-33 average, the increased number of cattle and the resulting potential increased slaughter supply may make the situation of cattle and live-stock producers less favourable than it will be for the next two years.

**CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT  
EFFECTIVE FROM JANUARY 1, 1936; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF NOVEMBER AND ELEVEN MONTHS ENDED  
NOVEMBER 30, 1935 AND 1936)**

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS DIVISION)

Commodities	Month of November				Eleven months ended November				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value \$	Quantity	Value \$	Quantity	Value \$	Quantity	Value \$		
AGRICULTURAL AND VEGETABLE PRODUCTS										
Fruits—										
Apples, green or ripe.....	93	363	3,332	15,444	2,528	6,304	8,037	33,215	25c. per bu. 50 lbs.	15c. per bu. 50 lbs.
Strawberries, fresh.....					250,663	23,184	690,268	57,662	14c. per lb.	3c. per lb.
Grain products—										
Bran, shorts and middlings.....	263,217	192,686	487,636	631,029	2,906,124	3,006,045	3,253,522	3,380,997	10% ad val.	10% ad val.
Cereal foods, prepared, all kinds.....									20% ad val.	15% ad val.
Screenings.....	141,061	34,702	333,511	5,487	1,034,526	326,604	1,188,530	681,687	10% ad val.	10% ad val.
Hay.....	186	1,588	13,319	92,981	68,823	683,061	49,125	329,694	\$5 per ton (2,000 lbs.)	\$3 per ton (2,000 lbs.)
Maple sugar.....	4,520	585	1,692,144	269,161	1,710,301	217,894	8,006,344	1,264,315	6c. per lb.	4c. per lb.
Seeds—										
Clover seed, alfalfa.....			7,701	91,174	1,049	12,987	12,152	135,472	8c. per lb.	4c. per lb.
Clover seed, alsike.....			7,936	79,806	12	88	23,484	222,438	8c. per lb.	4c. per lb.
Grass seed.....	3,417	3,792	11,073	18,769	86,754	446,125	93,334	120,855	2c. per lb.	1c. per lb. (mainly timothy)
Vegetables—										
Certified seed potatoes (a).....			375,196	287,125					75c. per 100 lbs.	45c. per 100 lbs., Mar. 1 to Nov. 30, if certified seed;
										60c. per 100 lbs., Dec. 1 to last day of Feb., if certified seed;
	82,993	43,075			319,521	102,918	1,191,943	1,054,302		75c. per 100 lbs. on imports of certified seed in excess of 750,000 bu. during each twelve-month period, beginning Dec. 1, in any year.
Potatoes, n.o.p. (b).....										75c. per 100 lbs.
Turnips.....	362,991	76,167	96,980	54,538	1,662,615	377,400	2,350,255	678,948	25c. per 100 lbs.	124c. per 100 lbs.
Whiskey.....	402,795	2,219,550	598,813	2,460,042	1,938,827	10,834,458	4,083,724	18,381,192	\$5 per pt. gal.	\$2.50 per pt. gal. if aged in wooden containers for at least four years; \$5 per pt. gal. if otherwise.
ANIMALS AND ANIMAL PRODUCTS										
Animals, living—										
Dairy cattle—										
Weighing 175 to 700 lbs. (a).....			71	2,950					24c. per lb., 175 to 700 lbs.	24c. per lb., 175 to 700 lbs.
Weighing over 700 lbs. (a).....	527	29,805	683	41,953	5,538	340,956	7,423	441,433	3c. per lb. if over 700 lbs.	3c. per lb. if over 700 lbs.
										on imports in excess of 20,000 head during any calendar year.

Cattle, n.o.p.— Weighing less than 175 lbs. (a).....No.	4,407	136,606	5,143	124,161	3,791	295	107,448	5,189,276	221,377	8,044,053	2½ c. per lb., if less than 175 lbs.	
											1½ c. per lb., if less than 175 lbs.	2½ c. per lb., if less than 175 lbs.
.....No.			1,138	35,507							2½ c. per lb., if 175 to 700 lbs.	2½ c. per lb., if over 700 lbs.
.....No.											3c. per lb., if over 700 lbs. or imports in excess of 51,833 head during any calendar year.	3c. per lb., if over 700 lbs. or imports in excess of 155,790 head during any calendar year.
Horses, n.o.p.....No.	322	41,588	908	101,837	5,331	613,283	16,690	2,023,659	\$20 per head, if valued at not more than \$150; 20% ad val. if valued more than \$150	\$30 per head, if valued at not more than \$150; 20% ad val. if valued more than \$150	20% ad val. if valued more than \$150	20% ad val. if valued more than \$150
Poultry, n.o.p.....No.	5,092	3,660	24,298	14,287	25,866	11,452	334,814	185,846	8c. per lb., if chickens, ducks, geese, turkeys, and guineas.	4c. per lb., if chickens, ducks, geese, turkeys, and guineas.	4c. per lb., if chickens, ducks, geese, turkeys, and guineas.	4c. per lb., if chickens, ducks, geese, turkeys, and guineas.
Fish, fresh and frozen—												
Clams, fresh.....Cwt.	1,358	1,480	5,215	8,898	49,917	55,900	37,520	45,126	Free.	Free.	Free.	Free.
Eels, fresh and frozen.....Cwt.	1,232	8,272	1,861	9,263	2,742	17,604	4,693	27,102	1c. per lb.	1c. per lb.	1c. per lb.	1c. per lb.
Salmon, fresh and frozen.....Cwt.	447	3,753	4,159	39,356	24,636	225,210	45,199	412,664	2c. per lb.	2c. per lb.	2c. per lb.	2c. per lb.
Herring, sea, fresh and frozen.....Cwt.	24,363	23,981	20,310	17,715	290,452	241,401	292,734	248,804	Free.	Free.	Free.	Free.
Salmon or lake trout, fresh and frozen.....Cwt.	7,066	65,370	6,987	72,981	38,421	366,338	44,011	446,336	1c. per lb.	1c. per lb.	1c. per lb.	1c. per lb.
Lobsters, fresh.....Cwt.	1,434	41,257	1,015	32,189	87,323	1,534,528	91,551	1,919,593	Free.	Free.	Free.	Free.
Oysters, fresh.....Cwt.	102	1,597	87	549	831	6,143	198	1,358	Free.	Free.	Free.	Free.
Shrimp, fresh and frozen.....Cwt.	705	3,727	13,958	29,671	60,437	465,210	92,708	691,858	2c. per lb.	2c. per lb.	2c. per lb.	2c. per lb.
Squid, fresh and frozen.....Cwt.	6,017	70,583	4,316	48,968	58,043	569,122	70,931	695,717	Free.	Free.	Free.	Free.
Swordfish, fresh and frozen.....Cwt.	329	3,289	1	10	20,239	212,522	21,552	270,862	2c. per lb.	2c. per lb.	2c. per lb., if not frozen;	2c. per lb., if frozen.
Tilapia, fresh and frozen.....Cwt.	3,051	17,600	773	4,856	17,943	103,423	16,040	95,929	1c. per lb.	1c. per lb.	1c. per lb., if frozen.	1c. per lb., if frozen.
Whitefish, fresh and frozen.....Cwt.	12,310	159,122	9,294	154,279	105,195	1,135,446	108,153	1,319,390	1c. per lb.	1c. per lb.	1c. per lb.	1c. per lb.
Fish, pickled, salted, and smoked—												
Albacore, salted.....Cwt.	6	12	3	18	4,379	10,763	1,294	2,585	1c. per lb., net weight.	1c. per lb., net weight.	1c. per lb., net weight.	1c. per lb., net weight.
Herring, sea, smoked.....Cwt.	791	6,174	934	6,275	5,906	26,828	11,164	41,763	3c. per lb., if boned;	3c. per lb., if boned;	3c. per lb., if boned;	3c. per lb., if boned.
Salmon, pickled.....Cwt.	64	480	379	5,693	4,965	59,122	2,021	27,708	25% ad val.	25% ad val.	25% ad val.	25% ad val.
Fish, canned—												
Clams, canned.....Cwt.	103	1,216			368	4,321	151	1,683	25% ad val., if razor clams;	25% ad val., if razor clams;	25% ad val., if razor clams;	25% ad val., if razor clams.
Lobsters, canned.....Cwt.	758	42,031	678	40,492	5,810	311,484	5,582	345,312	Free.	Free.	Free.	Free.
Fur skins, undressed—												
Beaver.....No.			1,643	13,220	47,227	430,058	38,657	482,586	Free.	Free.	Free.	Free.
Mink.....No.	1,447	20,288	5,818	105,251	110,338	101,512	1,240	1,133	Free.	Free.	Free.	Free.
Muskat.....No.	5,828	6,241	20,786	615,594	667,932	667,932	321,855	481,108	Free.	Free.	Free.	Free.
Wolf.....No.	30	60	657	5,560	22,506	194,792	42,809	372,182	Free.	Free.	Free.	Free.
Leather—												
Harness leather.....Patent leather.		4,817		4,340		28,753			3,912 12½% ad val.	3,912 12½% ad val.	10% ad val.	10% ad val.
									86,748 15% ad val.	86,748 15% ad val.	10% ad val.	10% ad val.

(a) Not separately shown prior to April 1, 1936. (b) Includes "certified seed potatoes" prior to April 1, 1936.

## CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES, Etc.—Concluded

Commodities	Month of November			Eleven months ended November			United States Tariff	
	1935			1935			1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value	Quantity	Quantity	Value	Value		
<b>Meats—</b>								
Poultry, dressed or undressed.....Lb.	6,361	\$ 1,218	1,026	103,894	\$ 20,122	\$ 43,801	10c. per lb.	6c. per lb., if chickens and guineas; 10c. per lb., if other poultry.
<b>Milk products—</b>								
Cheese.....Cwt.	1,042	18,009	3,366	4,344	77,289	1,535,173	7c. per lb., but not less than 35% ad val.	5c. per lb., but not less than 35% ad val., if cheddar cheese in original loaves; 7c. per lb., but not less than 35% ad val., if other kinds of cheese.
Cream.....Gal			8,410	7	7	40,738	56-6/10c. per gal.	35c. per gal.; 56-6/10c. per gal. on imports in excess of 1,500,000 gals. during any calendar year.
Whale oil.....Gal.				398,186	98,313	127,512	5c. per gal.	21c. per gal.
<b>Wood, Wood Products and Paper</b>								
Shingle bolts of pine or cedar.....Cord	16	72	12	139	529	491	Free.	Free.
Stave and other bolts, n.o.p.....Cord	11,911	50,185	12,007	36,136	1,328	32	10% ad val.	10% ad val.
Firewood.....M	30,323	97,795	3,024	240,699	254,150	289	Free.	Free.
Laths.....M	8,160	90,656	5,415	625,623	1,019,130	858,157	Free.	Free.
Logs.....M ft.				99,697	63	661,332	Free.	Free.
Masts and spars.....						20	\$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.
Pickets.....M	7,155	59,631	1,554	15,800	122,698	59,583	Free.	Free.
Piling.....Lin ft			59,339	289,454	19,877	32,986	\$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.
<b>Planks and boards—</b>								
Flooring of hardwood.....M ft.	61	2,611	28	467	21,970	483	Free.	Free.
Planks and boards, softwood.....M ft.	26,977	643,162	34,368	312,080	7,108,955	10,290,489	\$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; free, if other kinds.	4% ad val.
							\$3 per M ft. b.m. Revenue Tax if fir, spruce, pine, hemlock or larch; (a) free, if other kinds of wood, but subject to \$3 Revenue Tax per M ft. b.m.	\$1.50 per M ft. b.m. Revenue Tax if fir, spruce, pine, hemlock or larch; (a) free, if other kinds of wood, but subject to \$1.50 Revenue Tax per M ft. b.m.
<b>Planks and boards, hardwood.....M ft.</b>	2,674	88,142	4,946	17,150	538,521	1,282,664	Free, but subject to \$3 per M ft. b.m. Revenue Tax.	Free, but subject to \$1.50 per M ft. b.m. Revenue Tax.
<b>Poles—</b>								
Telegraph and telephone.....No.	13,811	44,555	45,111	195,275	577,444	710,722	Free.	Free.
Other poles.....No.		9,288			65,404	112,331	Free.	Free.
Posts, fence.....No.	30,543	2,269	25,355	347,132	29,531	39,993	Free.	Free.
Pulpwood.....Cord	65,571	435,000	114,977	897,714	6,550,746	7,739,573	Free.	Free.
Railroad ties.....No.	13,313	13,283	6,123	162,073	110,924	190,245	Free.	Free.
Shingles.....Square	249,448	650,340	242,205	2,463,401	6,609,354	5,369,165	Free.	Free.
Staves and headings.....			474		31,991	12,086	Free, if staves; 33 1/3% ad val. if headings.	Free, if staves; 33 1/3% ad val. if headings.

Timber, square, softwood.....	M ft.	17	391	36	1,010	1,950	38,394	4,563	70,936 \$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; 742 free, if other kinds. 24,132,472 Free. 75,273,370 Free.
Timber, square, hardwood.....	M ft.								
Wood, pulp.....	Cwt.		1,155,019	6	223	3	244	19	
Paper—Newsprint.....	Cwt.		2,217,175	1,096,112	2,312,053	9,599,534	20,314,445	11,731,678	
			3,500,457	4,671,122	8,253,250	36,349,846	62,918,840	43,185,342	
IRON AND IRON PRODUCTS									
Farm implements—									
Cultivators.....	No.	170	18,145	1	94	1,556	139,692	1,397	103,923 Free.
Drills.....	No.			1	76	401	50,863	489	50,312 Free.
Harrows and parts.....	No.		176		560		17,727		50,788 Free.
Harvesters and binders.....	No.					787	145,832	728	141,257 Free.
Mowers and reapers.....	No.					613	17,952	159	5,264 Free.
Ploughs and parts.....	No.			1	54	1,551	98,455	516	28,963 Free.
Reaper threshers.....	No.		31,210		58,480		360,022		464,590 Free.
Parts of farm implements, n.o.p.....	No.		58,970		7,092	72	54,568	165	181,573 Free.
Ferro-silicon.....	Ton	480	11,964	235	3,153	5,724	124,144	3,497	414,750 Free.
									72,823 2c. per lb. on silicon content.
Ferro-manganese and other ferro-alloys n.o.p.....	Ton	8,005	205,837	4,406	128,129	30,520	787,435	42,435	1c. per lb. on manganese content.
Skates.....	Pair	38,665	27,452	11,808	13,465	145,532	99,861	198,703	131,386 20% ad val.
NON-FERROUS METALS AND PRODUCTS									
Cobalt in ore.....	Cwt.			69	4,512	290	9,202	1,224	71,030 Free.
Nickel in matte or speiss.....	Cwt.		27,568	11,566	208,263	75,316	1,355,933	116,900	2,104,140 Free.
Nickel in oxide.....	Cwt.	1,603	31,518	1,964	39,736	7,570	182,169	17,666	355,348 Free.
NON-METALLIC MINERALS AND PRODUCTS									
Abrasives, artificial, crude.....	Cwt.	110,476	274,474	132,026	359,108	1,175,430	2,822,151	1,365,938	3,612,283 Free.
Asbestos.....	Ton	6,761	329,517	7,853	383,250	53,811	2,700,738	70,085	3,640,934 Free.
Asbestos sand and waste.....	Ton	10,162	159,041	15,043	244,867	33,809	1,280,585	131,974	2,124,441 Free.
Feldspar.....	Ton	1,906	9,281	2,151	12,315	9,340	52,623	12,272	89,880 50c. per ton, if crude.
Gypsum, crude.....	Ton	41,759	50,659	78,498	97,345	317,042	376,557	460,082	542,223 Free.
Lime.....	Cwt.	11,131	4,463	21,216	7,967	92,086	44,288	219,283	92,011 Various.
Talc.....	Cwt.	17,036	8,352	16,929	9,011	144,452	73,316	165,869	82,243 35% ad val.
CHEMICALS AND ALLIED PRODUCTS									
Acetic acid.....	Cwt.	32,979	197,830	18,241	97,582	325,462	1,925,827	266,809	1,433,349 2c. per lb., if over 65%.
Cyanamid.....	Cwt.	193,361	209,928	268,260	295,201	1,987,969	2,105,785	2,214,503	3,329,134 Free.
Sulphuric acid.....	Cwt.	2,734	1,619	3,455	2,146	18,731	12,402	19,822	13,492 Free.
MISCELLANEOUS COMMODITIES									
Organs.....	No.	2	63				10	29,993	5
Total exports of above commodities.....			15,524,177		20,891,420		152,284,930		194,667,373
Total domestic exports to United States.....			35,906,957		46,536,866		322,541,847		366,992,672

(4) Reduced rates not applicable to imports of Douglas fir or Western hemlock in any calendar year in excess of an aggregate quantity of 250,000,000 feet, board measure.

## LONDON MARKET FOR ANGORA WOOL

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

London, November 20, 1936.—The hair or wool derived from angora rabbits has been used in this country for many years, but its popularity has been subject to constant fluctuation. During periods when women's fashion favoured garments produced only or to best advantage from the yarn spun from angora wool, the use of it has been extensive. The total trade, however, even during the most favourable periods, has never been of substantial proportions. It is probably for this reason that the marketing of the raw wool has been in large measure unorganized or left to chance. This is particularly the case when compared with the elaborate system of grading and marketing which surrounds the sheep's wool trade.

While, therefore, angora wool products are produced by many firms in Great Britain, the trade is usually considered as spasmodic. It could be classed in this regard as a specialty trade and consequently subject to alternating periods of prosperity and depression. At the same time those interested in the trade here take an optimistic view of the future. They feel that, allowing for fashion changes, there is a developing appreciation among women of angora wool, and that in time a steady and probably an increasing demand will be developed for the product.

The present condition of the trade is undoubtedly the reason for the lack of wide interest on the part of many important merchants. At the moment, in the London area, the handling of angora is in the hands of a few firms who accept any parcels shipped to them and resell to users after grading to their own standards. The fact that angora wool is in such relatively small demand accounts for the absence of any standardized grading rules. Each merchant consequently applies his own standards and no recourse can be taken if a dispute arises.

### GRADES

At the same time there are certain well-recognized principles which must necessarily be the basis of all grading. In brief, there are two chief classifications—fine and coarse hair. Each is divided into three or four grades, according to the length of the staple and the colour. Cleanliness, mixtures, and extent of matting are also determining factors. One London firm particularly interested in this trade have established their grades in the following form:—

#### WHITE ANGORA WOOL

##### *Fine Type*

*First Grade.*—Freshly cut, clean, and free wool,  $3\frac{1}{2}$  inches in length, pure white in colour and of bright appearance.

*Second Grade.*—Clean and free wool 3 inches in length.

*Third Grade.*—Clean and free wool 2 inches in length, containing no foreign matter.

*Matted.*—Clotted and matted wool.

##### *Coarse Type*

*Super First.*—Freshly cut wool, perfectly clean, over  $3\frac{1}{2}$  inches in length of staple, laid in lock.

*First Grade.*—Clean and free wool, approximately  $3\frac{1}{2}$  inches in length, of fresh appearance.

*Second Grade.*—Clean and free wool, approximately 2 to  $2\frac{1}{2}$  inches in length, not teased in any way.

*Third Grade.*—Short wool, containing no vegetable matter or discolouration.

*Matted.*—Clotted and matted wool.

While these grades are quite satisfactory and in fact essential, the difficulty is that they are probably not generally accepted or understood by the producing end of the trade.

## MARKETING METHODS

Generally speaking, angora rabbit farming is a side-line carried on by farmers or their wives. As a quantity of wool accumulates they forward it to some merchant on trust. Usually the quantity in an individual shipment is quite small and ungraded. The examination then takes place in the receiver's premises, and whatever the grade awarded, it must be accepted by the shipper. Obviously the system is open to misunderstanding and even possibly to abuse. The general practice thereafter is for the merchant to make an immediate remittance to the shipper after any necessary deductions such as, for example, postage or freight. Should the price be low, as has been the case of late, the producer is inclined to become discouraged and drop out of the business.

## IMPORTATIONS AND SOURCES OF SUPPLY

At the present time the United Kingdom is not a large producer of angora wool; statistical information, however, is not available. It is reported from some sources that a general decline was experienced in production during the depression years, but that with a presently improving outlook this will probably tend to rise now. In recent years the United Kingdom has imported angora wool from a number of countries, the quantity varying considerably from year to year. In 1930, for instance, total imports from all sources were 1,240 cwts. (112 pounds), which had a value of £120,271. In the following year this rose to 1,420 cwts. valued at £177,913. In 1932 there was a sharp decline to 1,144 cwts. with a value of £124,107; in 1933 they rose to a peak of 1,992 cwts. valued at £197,105, and fell again in 1934 to only 801 cwts. valued at £81,902; and in 1935 the figure was 1,027 cwts. valued at £95,604. The principal countries whence consigned in 1935 were:—

	Cwts.	£
Union of South Africa . . . . .	2	102
South West Africa Territory . . . . .	6	217
Kenya . . . . .	7	323
Australia . . . . .	3	143
New Zealand . . . . .	2	147
Canada . . . . .	4	300
Sweden . . . . .	53	4,729
Poland (including Danzig) . . . . .	16	1,290
Germany . . . . .	11	869
Netherlands . . . . .	11	453
Belgium . . . . .	40	1,926
France . . . . .	815	82,220
Czechoslovakia . . . . .	9	226
Japan (including Formosa) . . . . .	45	2,264

As will be seen from the above table, the leading supplying countries in 1935 were France, Sweden, Belgium, and Japan. Canada last year shipped only 448 pounds of angora wool.

## PRICE SITUATION

Probably the determining factor in the angora wool trade is price. As the figures indicate, prices have fluctuated greatly from year to year. A month or so ago English wool was priced in London at about 18s. (\$4.50) per pound for first grade. French angora was then about 160 francs per kilo, or the equivalent of 18s. 6d. per pound. The recent devaluation of the French franc has, however, seriously, if temporarily, disturbed the British market price. Consequently the listed figures available indicate a price of from 15s. to 15s. 6d. (\$3.75) per pound delivered London for first quality—other grades in proportion.

The French monetary situation unfortunately coincided with the beginning of the angora wool active season, when prices normally strengthen. Instead of prices rising to (say) 20s., they dropped, but those engaged in the trade here believe this setback to be temporary. They consider that, because of an improv-

ing domestic demand in France, prices paid in London will reach a figure earlier anticipated of about 18s. or \$4.50 per pound.

The season just before Christmas is the most active in this trade. Even at the present levels, prices are much better than a year or so ago, when at the depth of the depression first-grade angora was bringing only about 10s. per pound. The cost of production is considered to be approximately 15s. per pound, so that at the level which it is expected the wool will reach shortly, the situation is not discouraging, especially if by careful selection and handling the farmer can ship a product to bring the top grade.

#### IMMEDIATE OUTLOOK

To sum up, merchants in London take an encouraging view of the present outlook. They anticipate an increasing demand for angora from spinners and a rising price for the raw product. The type and extent of the trade makes it essential, however, that producers use care and discretion in choosing carefully to whom to ship from the few merchants operating so that the best possible cash return may be obtained. French angora wool is generally preferred by spinners, but if a comparable grade of Canadian is available, there are several United Kingdom importers who would be interested in receiving supplies.

### POSSIBILITIES FOR THE SALE OF BROOM CORN IN LONDON

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

London, November 25, 1936.—A recent review of the market for Canadian-grown broom corn in this territory indicates the scant possibilities which exist. Unlike Canada, the use of corn brooms of the flat sewn type with long handles is distinctly limited in the South of England. Housewives seldom use these, but prefer other varieties such as the T-shaped brush. The increasing use of vacuum cleaners also greatly influences the situation.

At the same time, while official figures are not available, it is estimated that at least 20 tons (2,240 pounds) of this material are imported into the United Kingdom annually. The fact that it is commonly known in the trade as "whisk" is indicative of the chief use to which it is put. Most of the broom corn used in the United Kingdom is employed in the manufacture of these whisk brooms or brushes. All of these are pan set—that is, they are set in pitch in a wooden stock rather than being sewn. For this purpose the whisk tops are used which are said to be the tops cut off from Italian sewn brooms. These are recombined and dressed and shipped to the United Kingdom.

Italy is by far the leading source of supply for this raw material. From time to time it is understood that attempts have been made to import it from the United States, where it grows well, but these have been largely unsuccessful; certainly no regular or large business has ever developed. Italy, up to the present, seems to have obtained a monopoly, and this is said to be on account of the peculiar quality of corn required in this country.

As a result of the recent sanctions, which restricted the imports of Italian produce into the United Kingdom, some difficulty was experienced in obtaining supplies readily. Other sources were then sought. Now, however, that normal trading relations have been re-established, Italian whisk will in all probability become readily available again in the near future.

As already explained, most of the broom corn being imported from Italy is in reality the tops cut from Italian sewn brooms. This comes in bales containing seven bundles, each bundle of which weighs about 9½ pounds. This type is normally purchased in two principal lengths of 20 inches and 22 inches. Other broom corn is also imported in bales of about one cwt. (112 pounds) each.

The whisk tops are usually in three grades—1, 2, and 3—which are priced at from 8½ cents to about 13 cents per pound freight paid to London. Broom corn or whisk is currently priced at approximately 16 cents per pound. Samples of the type of whisk being used here have been despatched to Ottawa, and may be examined by interested Canadian firms on application (quoting file No. 16928).

The fact, which has already been mentioned, that broom corn from the United States has never been successful in obtaining a permanent foothold here because of its coarseness as compared with Italian, would seem to apply equally to Canadian supplies. There seems to be little likelihood of favourable developments in this direction, but there are several London firms which would be prepared to carry out experiments if their assistance is sought.

## PRODUCTION OF WHEAT IN THE NETHERLANDS

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(All conversions have been made at the current rate of exchange, fl. 1 equals Can.\$0.54)

Rotterdam, December 2, 1936.—The policy of attempting to obtain economic self-sufficiency, which has been followed by most European countries, particularly during the past five years, has not left the Netherlands untouched, although the extent to which it has been practised has remained comparatively low.

With the loss of foreign markets for those agricultural specialties which were formerly exported, it became necessary, as a substitute emergency measure, to stimulate the domestic production of wheat, and at the present Holland grows 35 per cent of her bread grain, whereas practically none was grown prior to 1931.

### WHEAT MIXING LAWS

In former years, the annual wheat harvest averaged 5,500,000 bushels, all of which was used for feeding purposes, or for the production of whole wheat flour. On July 4, 1931, legislation, known as the Wheat Mixing Law, became effective, which guaranteed wheat growers a price well above the world market level and compelled millers to use up to a possible maximum of 40 per cent of the home grown product.

### INCREASED PRODUCTION

As a result, by 1932 the harvest had more than doubled. In view of this great increment in production, which it was for a while feared might continue too rapidly, farmers were notified that from the beginning of 1933 the crop area sown to wheat should not exceed one-third of the total crop area cultivated by each individual farmer in 1932. This total was meant to include all field crops of every description. In practice, however, this legislation was not effective, and the increase in acreage continued on into 1935, owing to the substitution of wheat, which, because of the fixed price, could be produced at a profit for other less remunerative cereals.

In view of this the Netherlands Government made an announcement on November 24, 1936, completely abolishing the nominal restriction on wheat acreage. Owing to the limited area suitable for grain cultivation, it is now believed that the present acreage under wheat is, for all practical purposes, the maximum area which can be used for its production. This is because of the necessity of crop rotation, coupled with a decrease in the guaranteed price.

ACREAGE SOWN TO WHEAT AND YIELD

The area sown to wheat, together with the total production for the past eight years, has been as follows:—

Year	Acres	Bushels
1929 .....	112,270	5,756,520
1930 .....	137,185	6,376,860
1931 .....	192,194	7,091,280
1932 .....	296,695	13,472,000
1933 .....	337,838	15,255,000
1934 .....	358,661	17,600,000
1935 .....	390,222	16,407,429
1936 .....	369,141	.....

REDUCTION IN GUARANTEED PRICE

From the above it will be noted that the only decrease visible in wheat acreage is that of 1936 in comparison with the preceding period. Probably the principal contributory factor responsible for this was that the price guaranteed to producers has been greatly reduced, from \$1.84 per bushel, at which level it stood in 1931, to \$1.33 per bushel in 1936.

CRISIS LEGISLATION

The Wheat Mixing Law, to which reference has been made, provides that a maximum of 40 per cent of the domestic product may be used. At the present time the limit is 35 per cent. It is unlikely that it will be considered necessary to increase this figure up to the stipulated maximum.

Apart from the Wheat Mixing Law, crisis legislation in effect in Holland places the importation of foreign wheat under the control of a Government Board, while a so-called Monopoly Tax of approximately \$0.30 per bushel, which is the equivalent of an import duty, must also be paid.

Since 1933 coarse grains, as well as wheat, have also received protection through the imposition of monopoly taxes. At the time of writing this is, per bushel, \$0.52 for oats, \$0.30 for barley, and \$0.52 for rye. As a result, the acreage sown with barley and rye has gone up, although in the case of oats there has been a decrease.

CEREAL ACREAGE

The subjoined table shows the areas planted with these cereals from 1929 to 1936.

Year	Rye Acres	Barley Acres	Oats Acres
1929 .....	486,787	76,601	395,360
1930 .....	474,432	76,601	370,650
1931 .....	444,780	71,659	368,179
1932 .....	410,186	49,420	350,882
1933 .....	407,715	44,478	336,056
1934 .....	462,077	79,072	323,701
1935 .....	518,910	101,311	316,288
1936 .....	588,098	106,253	318,759

## TRADE OF CHILE IN 1935

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(Chilean peso valued at 6d. gold)

Lima, October 30, 1936.—An analysis of the trade returns of the Republic of Chile for the calendar year 1935 indicates a rise in the value of importations into that country from 241,713,634 pesos in 1934 to 303,626,164 pesos in 1935. Exports, on the other hand, rose, but to a much smaller degree, having been 469,831,955 pesos in 1934 and 473,087,556 pesos in 1935.

The returns of the imports and exports into and from Chile are annually prepared under various group headings. The first of these are under the general heading of "live animals," whose imports rose to 2,982,338 pesos in 1935 from 2,804,645 pesos in 1934. Exports also rose, having amounted to 493,594 pesos in comparison with 431,945 pesos in 1934. The second grouping is that of "alimentary substances and beverages." Here too an increase in imports occurred when they rose from 32,636,898 pesos in 1934 to 34,832,862 pesos in 1935. However, exports in this group fell from 53,912,255 pesos in 1934 to 48,986,407 pesos in 1935. The next group, which is under the heading of "prime or raw materials or those simply prepared," shows an increase in importation from 40,684,546 pesos in 1934 to 51,201,518 pesos in 1935. Likewise an increase is shown in exports under this heading, which increased from 397,796,304 pesos in 1934 to 410,041,780 pesos in 1935. The fourth group includes manufactured products, wherein the greatest increase in imports occurred. Imports under this heading in 1934 were 137,755,537 pesos, and they amounted to 206,026,609 pesos in 1935. On the other hand, a decrease occurred in exports of this group, which fell from 7,655,140 pesos to 4,875,098 pesos in 1935. The final group is that of gold and silver and currency of gold and silver, wherein a decrease occurred in both imports and exports. Imports under this heading in 1934 were 27,832,008 pesos as against 8,582,837 pesos in 1935. Exports in 1934 amounted to 10,036,311 pesos while in 1935 they fell to 8,690,677 pesos.

## PRINCIPAL IMPORTS BY COMMODITIES

The following list indicates a number of the principal imports into Chile in 1935, together with imports of these same products in 1934, in order that a comparison may be had of the two years:—

	1934 Pesos, 6d. Gold	1935 Pesos, 6d. Gold
Wheat (ordinary) . . . . .	200,790	1,978,504
Fresh and dried fruits . . . . .	1,517,268	1,673,669
Tea . . . . .	3,625,009	5,121,974
Sugar (raw and refined) . . . . .	13,554,815	11,363,740
Vegetable oils, alimentary or not, with the excep- tion of essential oils . . . . .	2,195,475	2,991,302
Hops . . . . .	1,057,188	762,013
Resins, gums, and vegetable wax . . . . .	1,095,547	1,430,688
Lumber of all kinds, worked or not, and cork in bulk	288,802	693,228
Wood pulp for manufacturing paper . . . . .	1,860,467	2,484,394
Tin . . . . .	888,142	1,101,533
Lead . . . . .	211,496	1,151,874
Mineral oils and its derivatives . . . . .	25,943,677	31,586,121
Cement . . . . .	115,867	755,199
Colours, paints, and varnishes . . . . .	3,057,666	4,095,054
Chemical products . . . . .	9,700,969	10,651,444
Medical compounds . . . . .	2,200,160	2,083,575
Threads of natural or artificial silk . . . . .	4,315,437	6,332,834
Cotton thread . . . . .	11,925,601	12,079,627
Woolen fabrics . . . . .	4,047,845	9,390,271
Fabrics of natural or artificial silk . . . . .	936,157	958,300
Cotton fabrics . . . . .	24,251,541	28,062,584
Fabrics of hemp or jute . . . . .	1,860,630	3,202,368

*Principal Imports by Commodities—Concluded*

	1934 Pesos, 6d. Gold	1935 Pesos, 6d. Gold
Socks, stockings, and knitted underwear . . . . .	544,946	805,893
Collars, handkerchiefs, and cloth underwear . . . . .	333,523	559,616
Rubber manufactures and clothing, or fabrics that contain such material . . . . .	3,694,199	4,262,437
Manufactures of wood and cork, not specified . . . . .	869,656	1,445,840
Paper and cardboard, not specified . . . . .	4,278,396	5,273,293
Tiles, bricks, tubing (not of porcelain or china) . . . . .	770,179	807,023
Iron and steel, flat, drawn or laminated . . . . .	11,197,560	15,844,330
Manufactures of iron and steel, not specified . . . . .	10,842,844	19,380,290
Manufactures of copper or bronze . . . . .	939,014	1,915,446
Locomotives and tenders . . . . .	15,134	5,646,418
Machinery, motors, and electrical apparatus . . . . .	8,817,364	11,972,782
Motors, steam boilers, turbines, pumps, etc., and repairs . . . . .	1,561,240	2,479,704
Agricultural machinery . . . . .	529,403	1,093,777
Machinery and mechanisms, not specified, and their spare parts . . . . .	5,661,554	8,371,272
Hand tools, and parts . . . . .	4,599,142	6,932,874
Rail and tram cars and coaches, and their parts . . . . .	815,886	3,963,849
Carriages, automobiles, and their parts and repairs . . . . .	2,975,286	6,721,401
Vehicles, not specified, and their parts, including aeroplanes . . . . .	534,764	3,080,739
Scientific instruments, and apparatus, and parts . . . . .	872,668	1,782,855
Arms, munitions, and parts . . . . .	296,479	1,169,303
Powder, fuses, and other explosives, for mines . . . . .	.....	2,341,260
Gold in bars, powders, and residuaries in general . . . . .	27,822,263	8,580,833

## PRINCIPAL EXPORTS BY COMMODITIES

The following table indicates the principal commodities exported from Chile in the calendar years 1934 and 1935:—

	1934 Pesos, 6d. Gold	1935 Pesos, 6d. Gold
Fresh meats . . . . .	5,464,428	4,988,331
Greases and foodstuffs . . . . .	.....	506,690
Honey . . . . .	768,342	935,805
Wheat . . . . .	5,594,200	2,620,307
Barley . . . . .	8,016,009	3,051,165
Oats . . . . .	4,798,383	4,948,505
Flour, cereals . . . . .	1,132,490	802,794
Malt (malted barley) . . . . .	1,037,090	1,476,255
Vegetables, dried in pods . . . . .	13,843,929	20,290,762
Fresh and dried fruit . . . . .	7,598,450	4,159,348
Spices, sauces, and condiments . . . . .	1,294,474	1,677,903
Wines (in bottles and other packages) . . . . .	2,203,277	1,426,698
Hides, salted, tanned, and raw skins . . . . .	8,447,767	6,407,792
Bones and offals (animal) . . . . .	2,661,110	3,968,063
Fertilizers, including chemical (including iodine) . . . . .	150,559,308	147,318,459
Forage for animals . . . . .	769,147	1,055,223
Bran . . . . .	1,516,564	1,430,927
Cotton seed . . . . .	1,226,826	1,230,631
Resins, gums, and vegetable wax . . . . .	488,020	622,804
Woods of all kinds, worked or not, and cork in bulk . . . . .	1,923,883	2,076,904
Copper, mineral . . . . .	1,189,377	1,339,019
Iron, mineral . . . . .	9,174,920	7,380,833
Minerals, metallic and non-metallic, not specified . . . . .	25,301,418	27,203,064
Copper and bronze . . . . .	156,576,327	178,547,384
Coal, mineral, carbonized or briquetted . . . . .	2,649,487	3,115,077
Sulphur, refined or sublimated . . . . .	.....	1,196,560
Wool, sheep, washed or unwashed . . . . .	32,118,460	20,637,473
Hemp and linen . . . . .	843,423	3,461,366
Fabrics of hemp or jute . . . . .	1,654,657	545,998
Gold in bars, powders, and residuaries in general . . . . .	1,300,442	7,758,462
Silver in bars, powder, and residuaries in general . . . . .	1,593,186	932,215

## TRADE OF CHILE BY COUNTRIES

The following table indicates the imports and exports into and from Chile in 1934 and 1935 by principal countries:—

Country	Imports		Exports	
	1934	1935	1934	1935
	Pesos of 6d. Gold		Pesos of 6d. Gold	
United States . . . . .	69,515,442	82,237,087	89,426,186	108,861,771
Germany . . . . .	24,599,495	60,853,763	20,037,396	33,693,101
United Kingdom . . . . .	56,018,236	57,363,503	103,893,311	82,944,747
Peru . . . . .	21,188,142	21,836,410	7,685,247	4,484,704
Japan . . . . .	8,503,885	11,121,496	1,262,076	3,782,927
Argentina . . . . .	6,003,671	9,343,564	8,427,248	6,644,700
France . . . . .	9,113,982	6,795,484	7,637,023	13,353,668
Spain . . . . .	3,818,843	4,990,518	613,071	760,527
Belgium . . . . .	5,287,214	4,955,082	12,995,915	8,838,571
Hungary . . . . .	85,118	4,946,732	.....	.....
Italy . . . . .	4,837,081	4,336,854	16,630,469	7,707,536
Sweden . . . . .	2,684,575	4,037,151	9,716,093	10,815,650
Brazil . . . . .	3,431,592	3,779,007	2,611,480	1,722,936
Uruguay . . . . .	17,622	3,550,820	690,400	51,585
Java . . . . .	1,978,341	3,068,444	515	.....
Mexico . . . . .	2,086,511	2,864,105	29,338	2,315
Ecuador . . . . .	2,360,139	2,737,595	1,335,040	1,661,577
Canada . . . . .	1,590,873	2,596,760	136,575	11,730

## IMPORTS

Below will be found an analysis of the principal commodities imported into Chile during the past year of interest to Canada with an indication of the principal sources of supply. For comparative purposes the corresponding total import figures for 1934 are given in parentheses, and the analysis is confined to those commodities the importation of which amounted to more than 500,000 pesos during the calendar year 1935. Values are in pesos of 6d. gold.

*Tin Ingots.*—Total, 1,930 gross quintals, 1,058,660 pesos (874,871): United Kingdom, 480,804; United States, 372,195; Netherlands, 136,961 pesos.

*Lead in Ingots.*—Total, 3,226,152 gross kilos, 1,108,175 pesos (187,531): Peru, 938,900 United Kingdom, 154,766 pesos.

*Zinc in Bars.*—Total, 593,472 gross kilos, 244,545 pesos (89,208): Belgium, 146,703; United States, 31,133; Canada, 27,444 (4,809); Norway, 24,291 pesos.

*Clays, not specified.*—Total, 235,640 gross kilos, 39,678 pesos (23,710): United Kingdom, 18,538; United States, 12,933; Germany, 4,916; Canada, 1,973 (183) pesos.

*Lumber, Pine.*—Total, 6,678 square metres, 420,441 pesos (135,032): United States, 385,934; Canada, 32,857 pesos.

*Wheat.*—Total, 17,136 gross kilos, 1,978,504 pesos (200,790): Argentina, 1,976,225 pesos.

*Hops.*—Total, 159,973 gross kilos, 762,013 pesos (1,057,188): Germany, 655,975; Czechoslovakia, 97,261 pesos.

*Tea.*—Total, 2,508,874 gross kilos, 5,100,350 pesos (3,608,911): Java, 3,068,070; India, 1,405,247; United Kingdom, 422,883 pesos.

*Canned Salmon.*—Total, 17,519 gross kilos, 16,436 pesos (7,541): United States, 10,862; United Kingdom, 3,733; Canada, 1,792 pesos.

*Sugar.*—Total, 1,063,201 metric quintals, 10,889,082 pesos (13,036,673): Peru, 10,573,083; Cuba, 315,996 pesos.

*Cotton Cloth, Rubberized or Its Substitutes.*—Total, 96,785 gross kilos, 325,700 pesos (191,714): United Kingdom, 153,412; United States, 89,325; Japan, 56,320; Canada, 2,346 pesos.

*Cyanides for Cyanization of Minerals.*—Total, 545 gross metric quintals, 44,126 pesos (15,363): Canada, 27,430 (new); United States, 16,696 pesos.

*Pulp, Mechanical and Chemical, not Dyed for the Manufacture of Paper or Explosives.*—Total, 121,455 gross metric quintals, 2,484,394 pesos (1,860,467): Sweden, 2,451,314; United States, 21,114; Norway, 11,966 pesos.

*Cyanides for Cyanization of Minerals.*—Total, 545 gross metric quintals, 44,126 pesos (52,656): United States, 75,072; Germany, 40,273; Canada, 9,141 pesos.

*Chains.*—Total, 91,000 gross kilos, 89,990 pesos (57,869): United States, 43,118; Germany, 18,397; United Kingdom, 16,608; Canada, 2,942 pesos.

*Piping or Tubing.*—Total, 7,528 gross kilos, 3,470,036 pesos (1,863,781): Germany, 1,803,179; United States, 858,707; United Kingdom, 437,093; Canada, 8,649 (21,515) pesos.

*Razor Blades.*—Total, 334,723 dozen, 232,009 pesos (86,109): United States, 139,796; Germany, 75,680; Spain, 8,338; Canada, 2,235 pesos (1,749).

*Plates or Sheets, Thin, of Aluminium or Tin, with or without Paper printed for Wrapping.*—Total, 28,150 gross kilos, 105,536 pesos (86,503): Germany, 71,166; United Kingdom, 12,621; Canada, 9,885 pesos (8,452).

*Ploughs.*—Total, 67,896 gross kilos, 56,765 pesos (7,639): Germany, 43,758; United States, 9,950; Canada, 1,230 pesos.

*Agricultural Machinery, not specified.*—Total, 527,045 gross kilos, 595,811 pesos (264,195): United States, 371,500; Germany, 177,776; Canada, 36,257 pesos (13,271).

*Parts and Repairs, not specified, for Machinery and Apparatus.*—Total, 119,919 gross kilos, 259,623 pesos (139,029): United States, 162,216; Germany, 51,466; United Kingdom, 27,309; Canada, 3,126 pesos (1,677).

*Motors, Pulleys, Jacks, and other Weight-lifting Apparatus.*—Total, 42,317 gross kilos, 111,100 pesos (27,654): United States, 81,503; Germany, 16,975; United Kingdom, 6,590; Canada, 3,726 pesos.

*Protectors for Workmen, such as Masks, etc.*—Total, 4,505 gross kilos, 76,995 pesos (57,977): United States, 51,934; Germany, 17,815; Canada, 1,738 pesos (1,825).

*Metal Supply Tools, whether or not for Industrial Use.*—Total, 144,103 gross kilos, 1,088,822 pesos (671,911): United States, 452,258; Germany, 440,688; United Kingdom, 133,763; Canada, 11,450 pesos (4,970).

*Transmission Bands or Belts.*—Total, 144,298 gross kilos, 717,918 pesos (414,015): Germany, 303,257; United States, 247,766; United Kingdom, 123,295; Canada, 10,928 pesos.

*Insulated Copper Cables, for Electrical Purposes.*—Total, 698,612 gross kilos, 1,052,241 pesos (513,462): United States, 593,614; United Kingdom, 274,677; Germany, 171,150; Canada, 2,460 pesos.

*Electric Meters, and other Measuring Devices, etc.*—Total, 41,799 gross kilos, 319,862 pesos (264,396): United States, 206,581; Germany, 88,697; United Kingdom, 8,549; Canada, 4,312 pesos (6,945).

*Batteries and Parts.*—Total, 500,182 gross kilos, 981,181 pesos (825,711): United States, 685,606; Germany, 172,682; Sweden, 45,731; Canada, 18,296 pesos (8,357).

*Railway Rails.*—Total, 7,365,699 gross kilos, 1,617,641 pesos (249,694): United States, 1,317,042; Germany, 300,203 pesos.

*Tires, Tubes, Pneumatic.*—Total, 912,840 gross kilos, 2,673,823 pesos (2,642,300): United States, 1,391,555; United Kingdom, 573,948; Canada, 541,651 pesos (77,718).

*Vitreous Compositions for Enamelling or Colouring Glass.*—Total, 39,964 gross kilos, 36,586 pesos (6,609): Canada, 22,175; United Kingdom, 7,112; United States, 4,901 pesos.

*Tubing or Hose, and its Parts, etc.*—Total, 144,675 gross kilos, 464,767 pesos (315,314): United States, 258,421; Germany, 139,225; United Kingdom, 34,729; Canada, 4,278 pesos (439).

*Rubber in Sheets of Any Form, etc.*—Total, 65,817 gross kilos, 173,403 pesos (117,233): United States, 93,158; Germany, 39,723; United Kingdom, 33,960; Canada, 1,190 pesos (289).

*Shoes and All Kinds of Shoes of Rubber not specified.*—Total, 52,507 legal kilos, 273,067 pesos (133,736): United States, 201,065; Japan, 32,582; Canada, 18,410 pesos (141).

*Newsprint.*—Total, 12,719,769 gross kilos, 2,592,390 pesos (2,070,084): Canada, 1,766,105 (1,424,024); Germany, 431,887; Norway, 230,313 pesos.

*Paper not specified, with a Weight Greater than 150 Grams per Square Metre.*—Total, 154,096 gross kilos, 155,079 pesos (110,705): Germany, 94,789; United Kingdom, 26,301; United States, 24,316; Canada, 742 pesos.

*Gold in Bars or Ingots.*—Total, 1,569,000 net grams, 8,574,479 pesos (27,822,113): United Kingdom, 8,574,479 pesos.

## EXPORTS

*Copper, Concentrated.*—Total, 50,194 gross quintals, 1,065,225 pesos (749,446): United States, 1,065,225 pesos.

*Copper, Electrolytic, in Bars.*—Total, 1,150,948 gross quintals, 87,573,987 pesos (68,558,346): United Kingdom, 24,723,653; United States, 21,710,974; Sweden, 9,973,486 pesos.

*Copper, Standard or Blister, in Bars.*—Total, 1,446,624 gross quintals, 90,972,068 pesos (88,017,831): United States, 38,897,044; United Kingdom, 31,312,749 pesos.

*Mineral Iron in Bulk.*—Total, 8,450,960 gross quintals, 7,380,833 pesos (9,174,920): United States, 7,380,833 pesos.

*Gold (Mineral).*—Total, 626,274 gross quintals, 11,998,974 pesos (9,029,979): United States, 11,318,161 pesos.

*Gold Concentrates.*—Total, 53,072 gross quintals, 3,768,894 pesos (1,595,286): United States, 3,757,315 pesos.

*Gold and Copper, Concentrated.*—Total, 115,705 gross quintals, 1,604,917 pesos (2,810,458): United States, 1,604,917 pesos.

*Gold and Silver, Mineral.*—Total, 133,455 gross quintals, 1,788,667 pesos (439,403): United States, 1,428,225; Germany, 358,603 pesos.

*Gold and Silver, Precipitated.*—Total, 13,717 gross kilos, 2,049,972 pesos (1,538,307): United States, 1,001,108; France, 605,342 pesos.

*Gold, Silver, and Copper (Minerals).*—Total, 162,980 gross quintals, 1,357,501 pesos (2,394,667): Japan, 845,563; United States, 511,938 pesos.

*Gold, Silver, and Copper, Concentrated.*—Total, 31,747 gross quintals, 1,137,124 pesos (2,689,946): United States, 1,137,124 pesos.

*Sulphur, Whole, Ground, and Sublimated.*—Total, 15,058,955 gross kilos, 1,196,560 pesos (1,375,257): Brazil, 727,407; Argentina, 131,411; United Kingdom, 119,936 pesos.

*Fertilizers and Iodine.*—Total, 12,895,443 gross quintals, 147,316,388 pesos (150,556,896). (Destinations not shown.)

*Coal in Bulk.*—Total, 135,006 gross tons, 2,930,040 pesos (2,586,376): Bolivia, 886,035; Argentina, 606,832; Peru, 313,482 pesos.

*Wool, Sheep, Unwashed.*—Total, 9,976,932 gross kilos, 20,431,868 pesos (32,023,251): United Kingdom, 12,784,468; Germany, 5,953,417; Japan, 1,554,473 pesos.

*Sheep Skins, not Tanned.*—Total, 2,830,728 gross kilos, 4,038,853 pesos (5,611,020): United States, 1,774,360; United Kingdom, 1,244,765; Germany, 822,247 pesos.

*Cattle Skins, not Tanned.*—Total, 2,061,923 gross kilos, 1,713,514 pesos (1,503,611): Italy, 837,962; Germany, 466,800; Russia, 149,497 pesos.

*Honey.*—Total, 1,828,201 gross kilos, 935,805 pesos (768,342): Germany, 843,160; United Kingdom, 79,423 pesos.

*Clover Seed.*—Total, 940,186 gross kilos, 789,708 pesos (794,698): United Kingdom, 575,980; Belgium, 103,109; Italy, 59,675 pesos.

*Oats, White or Ordinary.*—Total, 35,605,072 gross kilos, 3,957,561 pesos (4,526,600): Germany, 2,637,053; Belgium, 527,476; Cuba, 377,836 pesos.

*Oats, Storm King.*—Total, 8,544,777 gross kilos, 991,044 pesos: Italy, 433,529; Switzerland, 355,308; Cuba, 100,493 pesos.

*Barley, Forage, or Ordinary.*—Total, 23,858,280 gross kilos, 2,637,681 pesos (6,021,616): United Kingdom, 1,530,244; Belgium, 1,006,709 pesos.

*Wheat, White or Ordinary.*—Total, 5,945,325 gross kilos, 766,551 pesos (4,318,446): Peru, 475,926; Italy, 145,516; Belgium, 68,463 pesos.

*Wheat, "Candeal" (Summer Wheat).*—Total, 11,817,534 gross kilos, 1,733,174 pesos (1,275,754): Germany, 627,532; Italy, 555,334; Belgium, 355,032 pesos.

*Apples, Fresh.*—Total, 6,226,034 gross kilos, 1,107,166 pesos (3,457,551): Germany, 378,175; Brazil, 212,008; Belgium, 155,420 pesos.

*Hemp Fibre, Not Dyed.*—Total, 4,121,818 gross kilos, 3,367,001 pesos (847,632): United Kingdom, 1,896,596; Belgium, 323,293; Germany, 297,544 pesos.

*Frozen Meats.*—Total, 8,423,298 gross kilos, 4,875,019 pesos (3,018,487): United Kingdom, 4,875,019 pesos.

*Bran.*—Total, 151,487 gross quintals, 965,238 pesos (887,732): Germany, 355,520; United States, 215,229; United Kingdom, 144,572 pesos.

*Flour, Wheat.*—Total, 1,871,698 gross kilos, 388,565 pesos (568,126): Ecuador, 843,004; Bolivia, 19,575; Costa Rica, 18,200 pesos.

*Malt.*—Total, 59,764 gross quintals, 1,476,255 pesos (1,037,090): Cuba, 854,782; Peru, 259,710; Bolivia, 255,466 pesos.

*Gold and Silver, in Bars.*—Total, 1,671 net kilos, 1,951,189 pesos (1,300,442): United States, 1,444,335; Germany, 389,766; United Kingdom, 117,088 pesos.

*Silver in Bars.*—Total, 17,476 gross kilos, 932,215 pesos (1,593,186): United States, 909,978; Netherlands, 22,237 pesos.

## FOREIGN TRADE OF JAPAN, JANUARY TO SEPTEMBER

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

(At par one yen equals 0.4985 gold dollar; for the first nine months of 1935 and 1936 the average rate of the yen was Canadian dollars 0.28570 and 0.29 respectively)

Tokyo, October 26, 1936.—Japan's total foreign trade for the first nine months of 1936 was valued at 3,988,188,747 yen as against 3,659,348,354 yen in the 1935 three-quarter period, an increase of 328,840,393 yen. Exports were valued at 1,914,164,539 yen as against 1,821,554,425 yen, an increase of 92,610,114 yen; and imports at 2,074,024,208 yen as compared with 1,837,793,929 yen, an increase of 236,230,279 yen. Japan had thus an unfavourable trade balance for the period under review of 159,859,669 yen as compared with only 16,239,504 yen (this was most exceptional) during the 1935 similar period, an increase of 143,620,165 yen.

## EXPORTS BY COUNTRIES

Exports to Asiatic countries were valued at 979,829,450 yen during the period under review as against 959,912,426 yen in the January-to-September period of 1935, an increase of 19,917,024 yen. Japan's largest Asiatic customers were Kwantung Province (255,252,520 yen), British India (185,872,422 yen), Manchukuo (108,566,104 yen), China proper (105,100,691 yen), and the Dutch East Indies (91,587,937 yen).

Exports to European countries were valued at 222,717,089 yen as against 187,229,191 yen, an increase of 35,487,898 yen. The principal European purchasers were Great Britain (106,685,039 yen), France (29,778,499 yen), Germany (25,170,993 yen), Belgo-Luxemburg Economic Union (12,338,271 yen), and Holland (11,763,141 yen).

Exports to North America were valued at 414,696,608 yen as against 380,137,023 yen, an increase of 34,559,585 yen. Of this amount exports to the United States were valued at 405,098,229 yen and to Canada at 9,561,698 yen. Exports to Central America were valued at 28,861,069 yen as compared with 26,611,130 yen, an increase of 2,249,939 yen. The largest Central American purchasers of Japanese goods were Panama (7,608,750 yen), Mexico (5,302,855 yen), Curacao (3,475,554 yen), Honduras (2,318,194 yen), and the Dominican Republic (2,099,806 yen).

South American countries were the only group to show a decline in purchases from Japan during the period under review. Exports were valued at 49,012,046 yen as compared with 55,642,945 yen, a decrease of 6,630,899 yen. Chief South American buyers were Argentina (15,784,052 yen), Chile (6,189,361 yen), Brazil (6,024,312 yen), Uruguay (5,534,461 yen), and Venezuela (4,585,101 yen).

African countries were credited with imports from Japan valued at 143,825,469 yen as against 142,101,360 yen, an increase of 1,724,109 yen. Principal purchasers were Egypt (31,246,366 yen), the Union of South Africa (29,515,909 yen), Kenya, Uganda, and Tanganyika (21,438,347 yen), and French Morocco (16,117,199 yen).

Exports to Oceanic countries were valued at 75,222,808 yen as against 69,920,350 yen, an increase of 5,302,458 yen. The largest Oceanic purchasers were Australia (56,408,956 yen), New Zealand (11,087,508 yen), and Hawaii (5,672,122 yen).

## PRINCIPAL PRODUCTS EXPORTED

Japan's largest single export item during the period under review was that of cotton tissues, which amounted to 1,993,874,731 square yards valued at 349,559,892 yen as against 2,060,975,859 square yards valued at 378,420,789 yen in the 1935 similar period, a decrease in both quantity and value.

## COTTON TISSUES

Of total exports of cotton tissues, "grey" cotton tissues were exported to the value of 105,928,252 yen, chiefly to British India (25,727,860 yen), Manchukuo (15,590,472 yen), the Dutch East Indies (8,472,766 yen), Aden (4,910,338 yen), Kenya, Uganda, and Tanganyika (4,379,244 yen), and Australia (4,137,451 yen). "Bleached" cotton tissues valued at 62,213,136 yen were exported chiefly to the Dutch East Indies (7,966,475 yen), British India (6,833,400 yen), French Morocco (5,919,177 yen), the United States (4,540,121 yen), and Kwantung Province (4,313,804 yen). "Other" cotton tissues were valued at 181,418,504 yen and were exported chiefly to the Dutch East Indies (23,081,637 yen), British India (20,832,138 yen), Manchukuo (15,899,203 yen), Egypt (10,525,656 yen), and Argentina (7,540,629 yen).

## RAW SILK

Japan's second largest export item was that of raw silk, which only a few years ago was Japan's largest export and had been for many years. Exports of raw silk amounted to 333,321 bales valued at 255,648,079 yen as against 411,928 bales valued at 264,706,095 yen in the 1935 three-quarter period, a decrease in both quantity and value. As usual, the United States was the largest raw silk customer, exports to that country amounting to 279,573 bales valued at 214,258,420 yen. Other customers included Great Britain (17,610,371 yen), France (14,211,059 yen), Australia (3,529,413 yen), and British India (3,032,131 yen).

## ARTIFICIAL SILK TISSUES

The third largest of Japan's export items was artificial silk tissues amounting to 385,003,154 square yards valued at 108,075,833 yen as against 312,162,448 square yards valued at 96,521,511 yen in the January-to-September period of 1935, an increase in both quantity and value. Chief among the purchasers were British India (18,124,749 yen), Kwantung Province (15,497,258 yen), Australia (15,405,243 yen), and the Dutch East Indies (8,326,687 yen).

## SOME VALUES EXCEEDING 10,000,000 YEN

The following other products were exported to a value exceeding 10,000,000 yen:—

Iron and steel (56,800,357 yen), chiefly to Kwantung Province, China proper, and the Dutch East Indies; machinery (55,816,361 yen), chiefly to Kwantung Province, China proper, and Asiatic Russia; comestibles (52,834,973 yen), chiefly to Great Britain, the United States, and France; silk tissues (50,557,421 yen), chiefly to British India, Great Britain, the United States, Australia, and the Federation of South Africa; knitted goods (37,229,501 yen), chiefly to the United States, the Philippine Islands, Great Britain, and British India; vegetable fatty oils (34,815,147 yen), chiefly to the United States; woollen tissues, 34,794,223 yen, chiefly to Kwantung Province, British India, Egypt, and China proper; pottery (32,142,042 yen), chiefly to the United States, British India, Australia, the Dutch East Indies, Canada, and Kwantung Province; iron manufactures (29,039,399 yen), chiefly to Kwantung Province, British India, Dutch East Indies, and China proper; cotton yarns (28,263,904 yen), chiefly to British India, Manchukuo, and the Dutch East Indies; toys (26,446,446 yen), chiefly to the United States, Great Britain, British India, and Australia; artificial silk (21,929,291 yen), chiefly to Kwantung Province, British India, Mexico, and Australia; paper (18,980,195 yen), chiefly to Kwantung Province, China proper, and Manchukuo; lumber (18,836,969 yen), chiefly to Great Britain, Kwantung Province, China proper, and Manchukuo; glass and glass manufactures (18,388,466 yen), chiefly to British India, the United States, and the Dutch East Indies; refined sugar (16,957,008 yen), chiefly to Kwantung Province, China proper, and Manchukuo; hats and caps (13,487,222 yen), chiefly to the United States and Great Britain; lamps and parts (13,244,407 yen), chiefly to the United States and Great Britain; aquatic products (13,052,219 yen), chiefly to China proper, Kwantung Province, Hongkong, the Straits Settlements, and the United States; and wheat flour (12,303,649 yen), chiefly to Kwantung Province and Manchukuo.

## SOME VALUES BETWEEN 1,000,000 AND 10,000,000 YEN

The following other products were exported to a value exceeding 1,000,000 yen and less than 10,000,000 yen:—

Rice and paddy, chiefly to Canada and Hawaii; beans and peas, chiefly to Great Britain; tea, chiefly to the United States and Canada; colle or isinglass, chiefly to the United States, Great Britain, France, and Germany; beer, chiefly to Kwantung Province and Manchukuo; peppermint oil, chiefly to Germany and France; fish and whale oil, chiefly to Germany and Holland; soap, chiefly to Manchukuo and Kwantung Province; dried plants, chiefly to the United States; menthol crystals, chiefly to the United States; matches, chiefly to Hongkong and the Straits Settlements; waste silk, chiefly to Italy and the United States; cotton blankets, chiefly to British India, Siam, Manchukuo, and Kenya, Uganda, and Tanganyika; cotton towels, chiefly to the Union of South Africa, Australia, the Dutch East Indies, and British India; silk handkerchiefs, chiefly to the United States, British India, and Great Britain; buttons, chiefly to Great Britain, British India, Holland, and the United States; jewellery, chiefly to British India and the United States; coal, chiefly to Hongkong, the

Straits Settlements, and the Philippine Islands; cement, chiefly to Kwantung Province; brass, chiefly to British India and China proper; gum tires, chiefly to China proper, the Dutch East Indies, and Kwantung Province; plaits for hat-making, chiefly to the United States; umbrellas, chiefly to the Union of South Africa, Siam, British India, the Straits Settlements, and the Dutch East Indies; and brushes, chiefly to the United States.

#### IMPORTS BY COUNTRIES

Imports from Asiatic countries were valued at 800,929,216 yen as against 642,753,021 yen in the January-to-September period of 1935, an increase of 158,-176,195 yen. Japan's chief Asiatic purchases came from British India (315,-754,221 yen), Manchukuo (151,667,412 yen), China proper (100,461,774 yen), the Dutch East Indies (86,885,537 yen), and the Straits Settlements (27,324,030 yen).

Imports from European countries were valued at 254,751,419 yen as against 269,821,685 yen, a decrease of 15,070,266 yen. The largest imports into Japan from individual European countries were from Germany (91,610,243 yen), Great Britain (56,880,197 yen), Sweden (17,239,982 yen), France (15,612,256 yen), and the Belgo-Luxemburg Economic Union (12,130,058 yen). Imports from North America were valued at 657,824,877 yen as against 649,602,949 yen, an increase of 8,221,928 yen. Of this amount imports from the United States were valued at 601,954,565 yen, and from Canada at 55,776,604 yen. Imports from Central America were valued at 15,998,578 yen as against 5,702,931 yen, an increase of 10,295,647 yen. Of this amount Mexico is credited with 13,421,741 yen, the Dominican Republic with 899,680 yen, and Haiti with 480,471 yen. Imports from South America were valued at 66,686,467 yen as against 27,244,786 yen, an increase of 39,441,681 yen. Brazil's shipments to Japan were valued at 22,004,913 yen, Argentina's at 18,243,583 yen, Peru's at 9,957,026 yen, and Chile's at 8,294,790 yen.

Imports from African countries were valued at 76,456,126 yen as against 53,414,873 yen in the 1935 similar period, an increase of 23,041,253 yen. The largest contributors were: Egypt (32,861,261 yen); Kenya, Uganda, and Tanganyika (27,447,229 yen); and the Union of South Africa (8,705,949 yen).

Imports from Oceanic countries were valued at 201,377,525 yen as compared with 170,392,348 yen, an increase of 30,985,177 yen. Australia's share of this trade was valued at 177,417,974 yen, New Zealand's at 19,242,196 yen, the Society Islands' at 2,420,428 yen, and the Gilbert and Ellice Islands' at 1,799,379 yen.

#### IMPORTS BY COMMODITIES

As usual, Japan's largest single import item was raw cotton, amounting to 1,525,088,664 pounds valued at 627,471,052 yen as against 1,239,420,204 pounds valued at 546,280,052 yen in the January-to-September period of 1935, an increase in both quantity and value. The value of Japan's imports of raw cotton represent over 30 per cent of the value of her total imports during the period under review. British India was the largest supplier; the United States usually holds this place. Imports from British India were valued at 271,779,309 yen; from the United States at 249,524,483 yen; from Kenya, Uganda, and Tanganyika at 25,652,454 yen; and from Egypt at 25,057,565 yen.

Japan's second largest import was sheep's wool, amounting to 192,027,528 pounds valued at 179,079,090 yen as against 172,608,216 pounds valued at 128,-038,263 yen, an increase in both quantity and value. Australia's share of this trade was valued at 147,493,485 yen, and New Zealand's at 16,845,641 yen.

Iron (other than pig iron and rails and fish plates) was Japan's third largest import, amounting to 1,444,750 short tons valued at 100,933,464 yen as compared with 2,026,057 short tons valued at 136,888,290 yen, a decrease in both

quantity and value. The largest suppliers of iron and steel were the United States (50,013,952 yen), Germany (8,481,397 yen), Belgium (5,733,089 yen), Great Britain (5,660,133 yen), and British India (5,492,920 yen).

Mineral oil comes fourth in importance from the standpoint of value, imports of this product being valued at 95,986,235 yen as against 80,068,958 yen, an increase of 15,917,277 yen. This mineral oil represents crude and heavy oils only and was imported chiefly from the United States (74,066,715 yen), the Dutch East Indies (11,920,954 yen), and British Borneo (6,299,130 yen). In addition to the above-mentioned mineral oil, mineral oil under 0.8762 S.G. was imported to the value of 31,547,798 yen as against 26,300,758 yen, an increase of 5,247,040 yen. This type of mineral oil came chiefly from the Dutch East Indies (22,143,140 yen), the United States (6,276,640 yen), and Asiatic Russia (1,366,376 yen). Mineral oil under 0.730 S.G. was imported to the value of 76,842 yen as against 72,588 yen, and came almost entirely from the Dutch East Indies (76,737 yen).

Machinery comes fifth in the list of Japan's chief imports during the period under review and was valued at 68,959,759 yen as against 78,868,740 yen, a decrease of 9,908,981 yen. Chief sources of supply for machinery were the United States (27,622,982 yen), Germany (19,416,041 yen), and Great Britain (12,328,633 yen).

Beans came sixth, imports of which were valued at 58,077,664 yen as against 50,757,083 yen, an increase of 7,320,581 yen. Largest suppliers of beans to Japan were Manchukuo (51,594,431 yen), China proper (3,025,048 yen), and British India (2,998,188 yen).

#### SOME IMPORTS BETWEEN 10,000,000 AND 50,000,000 YEN

The following other products were imported to a value exceeding 10,000,000 yen and less than 50,000,000 yen:—

Crude india-rubber and gutta-percha (48,459,707 yen), chiefly from the Dutch East Indies and the Straits Settlements; paper and rayon pulp (48,163,769 yen), chiefly from the United States, Norway, Sweden, and Canada; lumber (40,633,337 yen), chiefly from the United States, the Philippine Islands, Canada, and British Borneo; coal (37,428,865 yen), chiefly from Manchukuo, China proper, and French Indo-China; ores (36,255,369 yen), chiefly from China proper, British India, and Australia; pig iron (32,975,965 yen), chiefly from British India and Manchukuo; sulphate of ammonia (31,895,431 yen), chiefly from Germany, the United States, Kwantung Province, and Manchukuo; oil-yielding materials (31,674,887 yen), chiefly from Manchukuo, China proper, the Dutch East Indies, and British India; automobiles and parts (31,220,272 yen), chiefly from the United States; oilcake (29,328,882 yen), chiefly from Manchukuo, Kwantung Province, and China proper; wheat (28,268,219 yen), chiefly from Australia and Canada; "other" vegetable fibres (26,392,145 yen), chiefly from the Philippine Islands, British India, and China proper; copper (23,247,378 yen), chiefly from the United States; lead (19,311,035 yen), chiefly from Canada, the United States, and British India; sugar (17,838,839 yen), chiefly from the Dutch East Indies; hides and skins (17,458,169 yen), chiefly from China proper, the United States, Australia, and Argentina; phosphorite (16,686,328 yen), chiefly from Egypt, the United States, and the Straits Settlements; aluminium (11,304,222 yen), chiefly from Canada and Switzerland; and tin (10,317,594 yen), chiefly from the Straits Settlements, China proper, and Hongkong.

#### OTHER IMPORTS

The following other imports are worthy of note:—

Rice and paddy (2,398,007 yen), chiefly from Siam; fresh beef (5,847,631 yen), chiefly from China proper; leather (4,016,849 yen), chiefly from British India; beef tallow (1,327,590 yen), chiefly from Australia; caustic soda (2,943,752 yen), chiefly from Great Britain and Kenya, Uganda, and Tanganyika; nitrate of soda, crude (6,839,962 yen), chiefly from Chile and the United States; synthetic colours (8,334,086 yen), chiefly from Germany, the United States, and Switzerland; woollen tissues (8,602,207 yen), chiefly from Great Britain; rail and fish plates (2,208,330 yen), chiefly from the United States; zinc (7,864,195 yen), chiefly from Canada, Australia, and the United States; watches (2,598,952 yen), chiefly from Switzerland; and wheat bran (5,602,895 yen), chiefly from China proper and Manchukuo.

## SUMMARY OF FOREIGN TRADE OF JAPAN

The following is a summary of Japan's total trade for the nine-month periods of 1936 and 1935, ended September 30:—

	Jan.-Sept., 1936 Yen	Jan.-Sept., 1935 Yen	Per Cent Increase
Imports . . . . .	2,074,024,208	1,837,793,929	+ 12.8
Exports . . . . .	1,914,164,539	1,821,554,425	+ 5.1
Total . . . . .	3,988,188,747	3,659,348,354	+ 9.0
Excess of imports . . . . .	159,859,669	16,239,504	+ 884.4

The following figures show Japan's chief exports and imports for the nine-month periods of 1936 and 1935, ended September 30, together with the percentage of increase or decrease as against the 1935 three-quarter period:—

*Principal Exports of Japan*

	Jan.-Sept., 1936 Yen	Jan.-Sept., 1935 Yen	Per Cent Inc. or Dec.
Wheat flour . . . . .	12,303,649	26,386,248	— 53.4
Sugar, refined . . . . .	16,957,008	12,196,897	+ 39.0
Aquatic products . . . . .	13,052,219	12,763,026	+ 2.3
Comestibles . . . . .	52,834,973	43,990,064	+ 20.1
Vegetable fatty oils . . . . .	34,815,147	23,837,655	+ 46.0
Cotton yarns . . . . .	28,263,904	26,567,212	+ 6.4
Raw silk . . . . .	255,648,079	264,706,095	— 3.4
Artificial silk . . . . .	21,929,291	14,410,564	+ 52.2
Cotton tissues (gray) . . . . .	105,928,252	108,302,373	— 2.2
Cotton tissues (bleached) . . . . .	62,213,136	68,535,806	— 9.2
Cotton tissues (other) . . . . .	181,418,504	201,582,610	— 10.0
Woollen tissues . . . . .	34,794,223	23,586,480	+ 47.5
Silk tissues . . . . .	50,557,421	60,000,163	— 15.7
Artificial silk tissues . . . . .	108,075,833	96,521,511	+ 12.0
Knitted goods . . . . .	37,229,501	36,941,188	+ 0.8
Hats and caps . . . . .	13,487,222	11,116,386	+ 21.3
Papers . . . . .	18,980,195	16,841,164	+ 12.7
Pottery . . . . .	32,142,042	31,222,136	+ 2.9
Glass and manufactures . . . . .	18,388,466	16,828,413	+ 9.3
Iron . . . . .	56,800,357	46,881,496	+ 21.2
Iron manufactures . . . . .	29,039,399	27,342,767	+ 6.2
Machinery and parts . . . . .	55,816,361	46,406,728	+ 20.3
Lumber . . . . .	18,836,969	17,814,532	+ 5.7
Lamps and parts . . . . .	13,244,407	12,081,286	+ 9.6
Toys . . . . .	26,446,446	25,369,551	+ 4.2

*Principal Imports into Japan*

	Jan.-Sept., 1936 Yen	Jan.-Sept., 1935 Yen	Per Cent Inc. or Dec.
Wheat . . . . .	28,268,219	32,157,761	— 12.1
Beans and peas . . . . .	58,077,664	50,757,083	+ 14.4
Oil-yielding materials . . . . .	31,674,887	29,970,036	+ 5.7
Sugar . . . . .	17,838,839	9,152,614	+ 94.9
Hides and skins . . . . .	17,458,169	14,595,517	+ 19.6
Mineral oil (crude and heavy) . . . . .	95,986,235	80,068,958	+ 19.9
Mineral oil (under 0.8762 S.G.) . . . . .	31,547,798	26,300,758	+ 20.0
Crude india-rubber . . . . .	48,459,707	37,876,908	+ 27.9
Sulphate of ammonia . . . . .	31,895,431	17,733,481	+ 79.9
Raw cotton . . . . .	627,471,052	546,280,052	+ 14.8
Other vegetable fibres . . . . .	26,392,145	18,855,481	+ 40.0
Sheep's wool . . . . .	179,079,090	128,038,263	+ 39.9
Paper and rayon pulp . . . . .	48,163,769	42,792,788	+ 12.5
Phosphorite . . . . .	16,686,328	14,388,348	+ 16.0
Coal . . . . .	37,428,865	34,653,042	+ 8.0
Ores . . . . .	36,255,369	29,490,008	+ 22.9
Pig iron . . . . .	32,975,965	32,252,510	+ 2.2
Iron (other) . . . . .	100,933,464	136,888,290	— 26.3
Aluminium . . . . .	11,304,222	11,537,631	— 2.0
Lead . . . . .	19,311,035	13,652,086	+ 41.4
Copper . . . . .	23,247,378	28,128,740	— 17.3
Tin . . . . .	10,317,594	10,108,987	+ 2.0
Automobiles and parts . . . . .	31,220,272	25,651,821	+ 21.7
Machinery . . . . .	68,959,759	78,868,740	— 12.5
Lumber . . . . .	40,633,337	36,979,525	+ 9.9
Oil cake . . . . .	29,328,882	31,985,674	— 8.3

## JAPAN'S TRADE WITH CANADA

Japan's total trade with Canada for the period under review was valued at 65,338,302 yen as against 49,026,775 yen in the January-to-September period of 1935, an increase of 16,311,527 yen. Exports to Canada were valued at 9,561,698 yen as against 6,027,269 yen, an increase of 3,534,429 yen; imports from Canada were valued at 55,776,604 yen as against 42,999,506 yen, an increase of 12,777,098 yen. Japan had thus an unfavourable balance of trade with Canada for the period under review amounting to 46,214,906 yen as against an excess of imports during the similar period of 1935 amounting to 36,972,237 yen, an increase of 9,242,669 yen.

## EXPORTS TO CANADA

Raw silk is always Japan's largest export to Canada; but as most of this silk is imported into Canada directly from New York, Japanese trade statistics show these exports as going to the United States and not to Canada. Only direct raw silk exports to Canada are shown in the trade returns; these amounted to 660 bales valued at 518,167 yen as against 120 bales valued at 70,480 yen in the 1935 similar period, an increase in both quantity and value. When the indirect exports of silk from Japan to Canada are taken into consideration, the unfavourable balance of trade that Japan has with Canada, according to her own statistics, will show a great reduction.

Japan's second largest export to Canada was pottery, valued at 1,372,615 yen as against 1,140,456 yen, an increase of 232,159 yen. Canada was Japan's fifth largest customer for pottery exports.

The third largest export to Canada from Japan was tea valued at 941,634 yen as against 488,954 yen, an increase of 452,680 yen. Next to the United States, Canada was Japan's best customer for tea.

Toys were the fourth largest export to Canada, being valued at 801,007 yen as against 615,228 yen, an increase of 185,779 yen. Canada was Japan's sixth largest market for toys.

Rice was Japan's fifth largest export to Canada, being valued at 656,956 yen as against 387,167 yen, an increase of 269,789 yen. Canada was the largest purchaser of rice from Japan during the period under review.

Other products of importance which were exported to Canada during the period under review included beans and peas (22,872 yen), menthol crystal (24,442 yen), silk tissues (144,913 yen), artificial silk tissues (451,561 yen), silk handkerchiefs (49,139 yen), buttons (65,974 yen), brushes (80,277 yen), and lamps and parts (155,745 yen).

## IMPORTS FROM CANADA

Japan's largest single import from Canada for the nine months of 1936 was wheat amounting to 3,028,172 bushels valued at 9,035,621 yen as against 1,939,927 bushels valued at 6,257,767 yen in the 1935 similar period, an increase in both quantity and value. Next to Australia (17,391,722 yen), Canada was by far the largest supplier of wheat to Japan.

Aluminium comes second in importance as an import from Canada from a value standpoint. Imports from Canada were valued at 8,607,284 yen, or 76 per cent of the total, as against 4,854,644 yen, an increase of 3,752,640 yen. This large increase is noteworthy in view of the fact that the Japanese Government raised the duties on aluminium imports during the summer.

The third largest import from Canada was lead, in which Canada maintained her position as the largest supplier. Imports from Canada amounted to 34,684 short tons valued at 8,221,375 yen as against 24,838 short tons valued at 4,445,158 yen, an increase in both quantity and value. These represent 42 per cent of the total imports.

Canada continued to maintain her position as the largest source of supply of newsprint, imports amounting to 58,610 short tons valued at 6,689,368 yen as against 46,284 short tons valued at 5,179,065 yen in the 1935 similar period, an increase in both quantity and value. These represent over 84 per cent of the total imports. Great Britain, Norway, the United States, and Sweden are other sources of supply.

Imports of lumber from Canada were valued at 4,476,093 yen as compared with 8,046,459 yen, a decrease of 3,570,366 yen. The trade has been slow to recover since the abolition of the special surtax. Canada was the third largest source of supply in the period; her customary place is second. The United States (24,637,940 yen) and the Philippine Islands (4,929,216 yen) were the largest suppliers in the period under review.

Imports of rayon and paper pulp from Canada were valued at 2,878,641 yen as against 5,873,608 yen, a decrease of 2,994,967 yen. At the present time Canadian pulp manufacturers are unable to supply Japan with the pulp that she requires, due to the conclusion of long-term contracts, a situation that may be remedied possibly next year. Canada was the fourth largest source of supply, the United States, Norway, and Sweden taking first, second, and third places respectively.

Canada was the largest supplier of zinc during the period under review, imports being valued at 2,809,585 yen, or 35 per cent of the total, as against 2,160,363 yen, an increase of 649,222 yen. Other sources were Australia (2,389,657 yen) and the United States (1,599,359 yen).

Imports of iron and steel from Canada were valued at 1,492,076 yen as against 590,773 yen, an increase of 901,303 yen.

Although imports of wheat flour from Canada have not as yet been published, this office has ascertained from private inquiry that the manufacturers of a seasoning extract known as Ajinomoto," and who are practically the only importers of Canadian flour, brought in about 800,000 bags during the period under review. During the corresponding period last year 754,000 bags (of 49 pounds each) were imported from Canada by this firm.

Other imports from Canada included machinery (87,168 yen) and fresh beef (50,133 yen).

#### SUMMARY OF JAPAN'S TRADE WITH CANADA

The following is a summary of Japan's total trade with Canada for the nine-month periods of 1936 and 1935, ended September 30:—

	Jan.-Sept., 1936 Yen	Jan.-Sept., 1935 Yen	Per Cent Increase
Imports . . . . .	55,776,604	42,999,506	+ 29.7
Exports . . . . .	9,561,698	6,027,269	+ 58.6
Total . . . . .	65,338,302	49,026,775	+ 33.3
Excess of imports . . . . .	46,214,906	36,972,237	+ 25.0

The following tables show Japan's chief exports to and imports from Canada for the nine-month periods of 1936 and 1935, ended September 30, together with percentage of increase or decrease compared to 1935:—

#### Principal Exports to Canada

	Jan.-Sept., 1936 Yen	Jan.-Sept., 1935 Yen	Per Cent Inc. or Dec.
Pottery . . . . .	1,372,615	1,140,456	+ 20.3
Tea . . . . .	941,634	488,954	+ 92.6
Toys . . . . .	801,007	615,228	+ 30.2
Rice . . . . .	656,956	387,167	+ 69.7
Raw silk . . . . .	518,167	70,480	+ 635.2
Artificial silk tissues . . . . .	451,561	110,679	+ 308.0
Lamps and parts . . . . .	155,745	65,906	+ 136.3
Silk tissues . . . . .	144,913	173,477	— 16.4
Brushes . . . . .	80,277	49,372	+ 62.6
Buttons . . . . .	65,974	57,252	+ 15.2
Silk handkerchiefs . . . . .	49,139	49,502	— 0.7
Menthol crystals . . . . .	24,442	37,246	— 34.4
Beans and peas . . . . .	22,872	15,535	+ 47.2

*Principal Imports from Canada*

	Jan.-Sept., 1936 Yen	Jan.-Sept., 1935 Yen	Per Cent Inc. or Dec.
Wheat . . . . .	9,035,621	6,257,767	+ 44.4
Aluminium . . . . .	8,607,284	4,854,644	+ 77.3
Lead . . . . .	8,221,375	4,445,158	+ 84.9
Newsprint . . . . .	6,689,368	5,179,065	+ 29.1
Lumber . . . . .	4,476,093	8,046,459	— 44.4
Paper and rayon pulp . . . . .	2,878,641	5,873,608	— 51.0
Zinc . . . . .	2,809,585	2,160,363	+ 30.0
Iron and steel . . . . .	1,492,076	590,773	+152.6
Machinery . . . . .	87,168	126,278	— 31.0
Fresh beef . . . . .	50,133	164,268	— 69.5

**PULP SITUATION IN JAPAN**

P. V. McLANE, ACTING TRADE COMMISSIONER

(For purposes of comparison the average rate of the yen in 1933 was 28 cents; in 1934, 29.575 cents; and in 1935, 29 cents Canadian funds)

Kobe, November 18, 1936.—The Japanese demand for pulp, both rayon and paper pulp, has been very active during the last year or two. Domestic production has been far from adequate to meet this situation with the result that imports have been greatly stimulated.

**DOMESTIC PULP PRODUCTION**

No differentiation is made in the returns published by the Department of Finance between pulp for use in the rayon industry and that used for making paper. The latest detailed compilation concerns the output for the year 1934. Data for that year and for 1933 are given below:—

	1933		1934	
	Short Tons	Yen	Short Tons	Yen
Wood-pulp . . . . .	66,025	4,323,259	133,084	10,421,282
Chemical pulp . . . . .	21,028	2,666,015	47,135	6,730,244
Other . . . . .	.....	462,692	.....	372,356
Total . . . . .		7,451,966		17,523,882

The great increase in pulp production in 1934 was an outcome of the enlarged demand for finished paper products. This increased demand was particularly evident in the case of newsprint; newspapers increased the size of their editions and also issued many special editions. There was also a great increase in the output of cheap paper novels and periodicals which augmented the demand for paper products. The bulk of the above production was pulp for paper making, the output of rayon pulp being estimated at approximately 15,000 tons.

**RAYON PULP**

The low output of domestic pulp suitable for manufacture into rayon is a matter of some concern to Japanese rayon producers. As mentioned above, the estimated domestic production amounted to 15,000 tons in 1934. Figures from unofficial sources place production at 22,500 tons for 1935 and estimate a total of 30,000 tons for 1936. A great many production plans are being considered, but the fundamental lack of suitable raw material is certain to prove a stumbling block to even a partial satisfaction of the demand.

At present rayon pulp is produced only in three mills, the Tominari and Undo mills in Karafuto operated by the Oji Paper Manufacturing Company and the Nippon Rayon Pulp Company with a mill at Shikuku, Karafuto, a subsidiary of the Oji Paper Manufacturing Company.

The possibility of production of rayon pulp in Manchuria has also received careful consideration with four companies either formed or in the process of formation for the purpose of exploiting Manchurian timber resources. This development is fraught with uncertainty, however, as the charters under which these companies are allowed to operate limit output to such an extent that profitable production is impossible. Suitability and accessibility of supplies of pulpwood have still to be determined. In effect also, the scarcity of suitable wood in Japan is limited to such a degree that production can be done only at the expense of paper pulp, of which production is also inadequate.

### IMPORTS

Imports make up the deficiency of the Japanese pulp industry, both in pulp for rayon and pulp for paper making. Prior to 1935 no differentiation was made in the Japanese trade returns between rayon pulp and paper pulp. The change in classification was first made in 1935. The method of compilation is not accurate, however, as it lists all bleached sulphite pulp as rayon pulp and the balance as pulp for paper making. Actually some of the bleached sulphite pulp is used for paper making. Importers estimate that rayon pulp import figures are excessive by about 20 per cent. This factor must be taken into consideration with regard to the following table for imports for 1935. It might be pertinent to mention at this point that total pulp imports increased considerably during 1935, the total being valued at 55,101,181 yen in 1935, compared with 44,255,752 yen in 1934.

#### *Imports of Pulp for Artificial Silk*

	1935 Short Tons	1935 Yen
Total . . . . .	141,183	33,929,930
Finland . . . . .	14,053	3,195,807
Sweden . . . . .	4,423	1,035,278
Norway . . . . .	53,856	13,146,257
United States . . . . .	61,109	14,633,662
Canada . . . . .	15,070	1,878,023

As will be seen from a perusal of the above table, the United States and Norway secured the bulk of the business in 1935. Canada has been securing a portion of the trade for years but more profitable markets elsewhere limit the sales to Japan. The number of inquiries for Canadian supplies would indicate that exports could be increased substantially and Canadian producers of paper pulp might investigate the possibility of a profitable switch to rayon pulp in view of the increasing demand in Japan.

That the demand is still increasing is shown by the fact that imports of rayon pulp for the first nine months of 1936 amounted to 132,850 short tons valued at 30,869,017 yen as compared with 110,368 short tons valued at 26,610,462 yen for the corresponding period of 1935. According to the trade, all the leading producers of rayon pulp have entered into contracts for the sale of their output for a year and, in some cases, a year and a half in advance. Prices are rising, and it is predicted that they will make further advances. As a matter of record, quotations from Europe at the time of writing have advanced materially although no actual additional stocks are available for shipment.

Imports of paper pulp, in contrast to those of rayon pulp, have been fairly stable. The principal producers appear to have contracted in advance for the sale of their bleached pulp and at present there is very little other paper pulp available for this market. Bearing in mind that the imports of paper pulp are underestimated, the statistics according to the official returns are as follows for 1935, main suppliers only being listed:—

*Imports of Paper Pulp*

	1935 Short Tons	1935 Yen
Total .. . . .	164,424	21,171,251
Germany .. . . .	1,866	241,949
Finland .. . . .	13,906	1,786,362
Sweden .. . . .	52,101	6,699,387
United States .. . . .	60,732	8,178,378
Canada .. . . .	30,861	4,112,609

Canada secures a good share of this business although taking third place to the United States and Sweden. Prices are becoming firmer for all qualities of paper pulp due to the factor (contracted sales) mentioned above. A slight increase has taken place in the imports for the first nine months of 1936 when they amounted to 135,335 short tons valued at 17,294,752 yen as compared with 121,666 short tons valued at 16,183,326 yen for the same period of the previous year.

The preliminary trade returns for the first nine months of 1936 do not give separate figures for rayon and paper pulp, but the following table gives the data on the principal sources for pulp of both types for the nine-month period of 1936 and 1935:—

*Imports of Pulp (Rayon and Paper)*

	Jan.-Sept., 1936		Jan.-Sept., 1935	
	Short Tons	Yen	Short Tons	Yen
Total .. . . .	268,186	48,163,769	231,921	42,792,788
United States .. . . .	130,895	23,765,881	91,335	17,472,385
Norway .. . . .	42,627	9,861,858	39,468	9,638,711
Sweden .. . . .	45,581	6,806,350	39,497	5,497,233
Canada .. . . .	21,913	2,878,641	37,445	5,173,608

Imports from the United States have mounted remarkably with Sweden also making a fair gain and Norway showing some expansion. Canada, with more advantageous markets elsewhere, especially for rayon pulp, has been a declining factor in the trade.

**MR. JOHNSON'S TOUR OF CANADA**

Mr. G. B. Johnson, Canadian Trade Commissioner in Glasgow, Scotland, is at present on tour in Canada in the interest of Canadian trade.

The concluding part of his itinerary is as follows:—

Quebec .. . . .	Dec. 21 and 22	Saint John .. . . .	Dec. 26 to 29
Fredericton .. . . .	Dec. 23 and 24	Halifax .. . . .	Dec. 30 to Jan. 2

Firms who wish to be brought in touch with Mr. Johnson should communicate with the Board of Trade or Chamber of Commerce in the above cities.

**GUILDER DEVALUATION IN NETHERLANDS INDIA**

B. C. BUTLER, ACTING TRADE COMMISSIONER

Singapore, November 9, 1936.—Following the announcement of the devaluation of the guilder, September 26, the policy of the Netherlands Indies Government was directed toward controlling unreasonable increases in the cost of living. Government radio broadcasts and announcements in the press urged that there was no cause for alarm, and that to assist in preventing an undue rise in prices, retail purchasing should be restricted to a hand-to-mouth basis until merchants became accustomed to the changed circumstances.

This general appeal was supported by direct Government action designed to curb profiteering. At the very outset it was declared that imported goods

must not be sold at more than 5 per cent increase on the prices ruling on September 26, the penalty for any breach of this ruling being heavy fines or imprisonment, and confiscation of goods. These temporary measures were later modified and imported goods were divided into three groups:—

### THREE GROUPS OF IMPORTED GOODS

(a) Necessities and goods which the Government wish most to prevent from rising in price. The limitation in price increase for this group was set at 10 per cent over prices ruling on September 26. The group includes textiles for native use and necessary foodstuffs such as potatoes and vegetables, butter, flour and grains, macaroni, canned milk, unrefined sugar, canned fish, and certain essential glassware, pottery, etc.

(b) Goods which are not considered important enough to be included in group (a) but which it is considered should not be left entirely uncontrolled. The limitation on this group was set at 10 per cent with the intention that prices might be raised more quickly than in the case of group (a). This second group includes cocoa and chocolate, eggs, ham and bacon, salt, petroleum products, coal, matches, chemicals, medicinal preparations, soap, certain building products, leather, European wearing apparel, paper, metals and metalware, machinery and agricultural implements, office furnishings, tires, etc.

(c) Goods that are considered more or less luxury articles and on which no limitation on price increase was made. This group includes biscuits, mushrooms, chocolates, honey, refined sugar, fresh or frozen meats, fruits, wines, liquors and spirits, coffee, films, fancy glass, leather and metal ware, high-class European clothing and haberdashery, etc.

### REVISION OF CERTAIN IMPORT DUTIES

Imported articles will inevitably rise in price, but the measures adopted by the Government have helped to restrain the upward movement. As from October 28 the import duties have been revised, and it is expected that by these revisions price increases will be offset by one-half to one-third. In certain commodities, where world prices have risen, it is impossible for the Government to control the increase in the selling price in Netherlands India. One such example is flour, the price of which has been rising steadily for some time. In this case the duty has been reduced from 18 per cent to 9 per cent for the balance of 1936 and to 6 per cent as from January 1, 1937.

### INCREASE IN PRICES

The price of export commodities experienced a general increase of about 25 per cent following guilder devaluation, the increases in price equalling or slightly exceeding the degree of devaluation. Producers are receiving considerably larger returns as a result, and this will be reflected in the purchasing power of the natives and the import totals in due course.

With the increased return for rubber, along with other export commodities, it was found necessary constantly to increase the export duty on native-produced rubber in order to control exports of that commodity within the limits set by the International Rubber Restriction Agreement to which Netherlands India is signatory. The export duty on native rubber at time of writing is fl. 55 (Can. \$27) per 100 kilograms.

While the prices of Netherlands Indies exports have now increased sufficiently to offset the amount of devaluation, there was naturally a temporary phase when prices were very favourable, and there was a brisk sale of all commodities during that period. At the same time the shipping companies announced

that as from November 1 freight tariffs would be increased 25 per cent, and there was a rush to make purchases and effect shipment before that date.

The rates of the Government-owned post, telegraph, telephones, railways, harbours, etc., have not been increased, nor have the tariffs of privately owned railways, trams, gas, electricity, water, and inter-island steamship companies. No change in price was made by the oil companies, and this is specially important in the case of kerosene, which is an article of necessity to the native population.

### TOURIST INDUSTRY

For the past five years Netherlands India has been the most expensive place to visit in the Far East and the tourist traffic has suffered severely. The tourist bureaux, hotels, transport companies, and others interested in tourist traffic are therefore highly pleased that devaluation has occurred, and the prospects for the coming winter season are bright.

### EFFECT OF DEVALUATION ON BUSINESS

Business in Netherlands India has generally benefited as a result of devaluation, but of greater importance has been the psychological effect. For several years the country's business life has been vaguely depressed by the constant uncertainty of the monetary situation. Devaluation has been rumoured a score of times during these years, and merchants have had to make all their plans with that possibility always in the background. Now that it has become a fact, one important fear has been removed, a tension has been released, and commercial life should now be able to proceed in a more normal manner—normal, that is, within the limits of the Government regulations already in force. With improved business, Government revenues should increase and the condition of the country may be expected to progress more in the first six months after devaluation than it has during the past two or three years.

## NEW FLOUR PACKING REQUIREMENTS IN NETHERLANDS INDIA

B. C. BUTLER, ACTING TRADE COMMISSIONER

Singapore, November 16, 1936.—In pursuance of its policy to effect greater standardization in the packing of certain products offered for sale in Netherlands India, the Government has passed an ordinance, to become effective on May 1, 1937, with respect to the packing of flour. The only important requirement as far as Canadian exporters are concerned is that the weights must be shown in kilograms. The following notes briefly summarize the clauses in the new ordinance:—

The designation "flour" or "meal" shall be printed legibly and indelibly in Latin letters of a minimum height of 5 centimetres and a linear thickness of at least 5 millimetres on the outside of all flour bags.

The bags must also be printed in letters of a minimum height of 3 centimetres and a linear thickness of at least 3 millimetres to show:—

(a) The combined weight of the contents and packing expressed in kilos together with the words "gross weight" or "Bruto gewicht."

(b) The country of origin.

The packing must satisfy the following requirements:—

(a) It must be of sound materials, permitting only slight seepage.

(b) The capacity of the packing shall be such that, when normally filled, the combined weight of the contents and packing totals:—

(1) 22.23 kilos (equivalent to 49 pounds).

(2) 50 kilos (equivalent to 110 pounds).

(3) 68.09 kilos (equivalent to 150 pounds).

(c) The weight of the packing material alone shall not exceed:—

- (1) 0·2 kilo in the case of 22·23-kilo packings;
- (2) 0·5 kilo for 50-kilo cotton packings;
- (3) 0·8 kilo for 50-kilo jute packings;
- (4) 0·6 kilo for 68·09-kilo cotton packings;
- (5) 1·2 kilo for 68·09-kilo jute packings.

While the ordinance requires the printing of weights in kilos, it is quite in order to show the weights in pounds in addition if millers desire.

Translations of this ordinance are on file with the Department of Trade and Commerce, Ottawa, where further particulars may be obtained.

## TRADE AGREEMENT BETWEEN THE UNITED STATES AND COSTA RICA

A Trade Agreement between the United States and Costa Rica was signed in San Jose on November 28, 1936. It is to come into force thirty days after its proclamation by the President of the United States and the President of Costa Rica. Subject to the provisions of certain articles permitting earlier termination under certain circumstances, the agreement will remain in force for three years, and is subject to termination thereafter on six months' notice by either party.

The agreement provides for reductions from and binding of existing duties in each country on certain specified products as well as exchange of unconditional most-favoured-nation treatment in tariff matters between the two countries.

Concessions by Costa Rica to the United States include the following reductions from the existing rates: evaporated milk, 33½ per cent; dried fruits, 47 per cent; canned vegetables, fruits and fish, 33½ per cent; prepared or cooked cereals, 47 per cent; hog lard, 17 per cent; chewing gum, 50 per cent; steel furniture, 33½ per cent; silk hosiery, 32 per cent; construction lumber, 50 to 65 per cent; prepared paints and varnishes, 25 per cent; liquid pharmaceutical preparations, 25 per cent; dry pharmaceutical preparations, 33½ per cent. Products on which existing Costa Rican duties are bound include first-quality wheat flour, oatmeal, rolled oats, fresh fruit, condensed milk, typewriters, adding machines, cash registers, radios, fine leather.

United States concessions to Costa Rica include duty reductions on dried bananas, pineapples, mango pastes, guavas, and guarantee of continued free entry for bananas, cocoa beans, coffee, deer and reptile skins, turtles, and cabinet and balsa wood in the log.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### United Kingdom Tariff Changes

The Additional Import Duties (No. 31) Order of the United Kingdom, effective November 24, establishes a minimum specific rate of 2s. per dozen articles on aprons and overalls manufactured wholly or partly of rubber (including compounded rubber, vulcanite, and ebonite), balata, or gutta-percha, with or without strings, or other fastenings attached thereto, other than aprons and overalls which, apart from eyelets, strings, or other fastenings, consist wholly of proofed cloth or other rubberized textile fabric. These goods have hitherto been liable to duty at 20 per cent ad valorem and that rate will continue to be chargeable where it yields a greater amount of duty.

Goods which are Canadian products within the meaning of the Imperial preference regulations are exempt from the foregoing duties under the terms of the Canada-United Kingdom Trade Agreement of 1932.

(The foregoing is the situation under the Import Duties Act, 1932. If the goods contained silk or artificial silk the silk duties would be involved, the Canadian product being liable to duty at preferential rates.)

### Marking Earthenware for Australia

With reference to notice appearing in *Commercial Intelligence Journal* No. 1706 (October 10, 1936), page 704, information is now received that the regulations requiring the marking of earthenware imported into Australia will apply to:—

Sanitary and lavatory articles of earthenware, *fireclay, vitreous china or similar substances or materials*.

The words in italic type represent additions to the original regulation. Articles of this description imported on and after April 1, 1937, must bear the prescribed markings, as already published in the *Commercial Intelligence Journal*.

The regulation has also been extended to include:—

Wall, hearth and floor tiles.

Such articles imported on and after March 1, 1937, must be marked in accordance with the following regulations:—

(a) Marking as to country of origin only will be required.

(b) This marking must be applied in a permanent and indelible manner in all cases.

(c) Tiles less than six square inches in area (with the exception of liners, and small tiles mounted on paper) will be regarded for the present as *exempt* from marking requirements.

(d) In the case of tiles of six square inches in area and over, and liners of any size, marking will be required on each article.

(e) In the case of small tiles mounted on paper, marking applied in a satisfactory manner on the back of the sheets will be accepted.

The above instructions apply to tiles of earthenware and similar substances or materials. Tiles such as cork tiles and rubber floor tiles are not regarded as subject to the marking requirements.

### Federated Malay States Duty on Coronation Goods

Mr. B. C. Butler, Acting Trade Commissioner, Singapore, forwards Federated Malay States Customs Notification No. 4790 dated October 30, 1936, imposing an import duty of 50 per cent ad valorem on goods suitable for use for or in connection with celebrations or the commemoration of the coronation of His Britannic Majesty. Such goods produced or manufactured in and consigned direct from any place in the British Empire shall be exempt from import duty. Goods of this kind from Canada conforming with prescribed regulations are eligible for duty exemption. An Empire content of 25 per cent is prescribed for manufactured goods.

### Netherlands India Import Tariff Reductions

Mr. B. C. Butler, Acting Trade Commissioner in Singapore, writes that a Netherlands India decree, effective October 28, 1936, reduces the duty on wheat and flour, dried salted fish, certain cotton piece-goods and underwear, which were mostly 12 per cent ad valorem with a surtax of 50 per cent of the duty, to 6 per cent ad valorem with 50 per cent surtax as from October 28 to the end of the year and to 6 per cent ad valorem without surtax as from January 1, 1937. The surtax on a wide range of other commodities has been reduced from one-half to one-quarter of the duties. These changes were made to offset increases in price after the devaluation of the guilder.

### Marking of Railway Sleepers in China

With reference to the report in *Commercial Intelligence Journal* No. 1700 (August 29, 1936), page 450, concerning marking of cargo for China, Mr. H. A. Scott, Canadian Trade Commissioner, Shanghai, advises under date November 13 that in the case of railway sleepers the Customs authorities have announced that marking by means of a paint daub will be considered sufficient.

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DECEMBER 15

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, December 15, and for the week ending Monday, December 7, 1936, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending December 7	Nominal Quotations in Montreal Week ending December 15	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1868	\$ .1867	3½
Belgium . . . . .	Belga	.1001	.1691	.1689	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0353	.0353	3
Denmark . . . . .	Krone	.2680	.2185	.2187	4
Finland . . . . .	Markka	.0252	.0216	.0216	4
France . . . . .	Franc	.0392	.0465	.0466	2
Germany . . . . .	Reichsmark	.2382	.4020	.4018	4
Great Britain . . . . .	Pound	4.8666	4.8937	4.8987	2
Greece . . . . .	Drachma	.0130	.0090	.0090	7
Holland . . . . .	Guilder	.4020	.5435	.5438	2
*Hungary . . . . .	Pengo	.1749	.2953	.2951	4
Italy . . . . .	Lira	.0526	.0526	.0525	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0230	5
Norway . . . . .	Krone	.2680	.2458	.2462	4
Poland . . . . .	Zloty	.1122	.1883	.1882	5
Portugal . . . . .	Escudo	.0442	.0445	.0444	4½
Roumania . . . . .	Leu	.0060	.0073	.0073	4½
Spain . . . . .	Peseta	.1930	.....	.....	5
Sweden . . . . .	Krona	.2680	.2523	.2526	2½
Switzerland . . . . .	Franc	.1930	.2297	.2296	1½
United States . . . . .	Dollar	1.0000	.9993	.9987	1½
Mexico . . . . .	Peso	.4985	.2773	.2772	4-5
Cuba . . . . .	Peso	1.0000	.9986	.9980	—
Guadeloupe . . . . .	Franc	.0392	.0465	.0466	—
Jamaica . . . . .	Pound	4.8666	4.9037	4.9087	—
Martinique . . . . .	Franc	.0392	.0465	.0466	—
Other British West Indies	Dollar	1.0138	1.0195	1.0206	—
Argentina . . . . .	Peso (Paper)	.4245	.3262	.3266	3½
Brazil . . . . .	Milreis (Paper)	Unofficial	.2878	.3036	—
		.1196	.0866	.0870	—
British Guiana . . . . .	Dollar	Unofficial	.0594	.0596	—
Chile . . . . .	Peso	1.0133	1.0195	1.0206	—
		.1217	.0517	.0516	4½
		Unofficial	.0417	.0416	—
Colombia . . . . .	Peso	.9733	.5735	.5732	4
Peru . . . . .	Sol	.2800	.2498	.2497	6
Venezuela . . . . .	Bolivar	.1930	.2498	.2497	—
Uruguay . . . . .	Peso	1.0342	.7995	.7990	—
South Africa . . . . .	Pound	4.8666	4.8875	4.8925	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.0069	5.0237	—
China (Shanghai) . . . . .	Dollar	.....	.2951	.2934	—
Hongkong . . . . .	Dollar	.....	.3050	.3042	—
India . . . . .	Rupee	.3650	.3697	.3703	3
Japan . . . . .	Yen	.4985	.2840	.2847	3.29
Java . . . . .	Guilder	.4020	.5454	.5453	—
Siam . . . . .	Baht (Tical)	.4424	.4480	.4487	—
Straits Settlements . . . . .	Dollar	.5678	.5735	.5748	—
Australia . . . . .	Pound	4.8666	3.9150	3.9190	—
New Zealand . . . . .	Pound	4.8666	3.9465	3.9500	2½
		* Unofficial:	.1978	.1976	—

The Dominion Bureau of Statistics has supplied the following note:—

Exchange movements again were narrow during the second week of December. The Canadian dollar recovered minor losses of the preceding week, while New York funds declined fractionally in terms of most leading currencies despite continued receipts of gold from abroad. The Shanghai dollar dropped sharply as political tension developed in the Far East. Sterling exchange reacted slightly when uncertainty temporarily beclouded the constitutional situation in London, but subsequently became stronger again.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.  
Halifax, N.S.  
Quebec, P.Q.  
Montreal, P.Q.  
Toronto, Ont.

Chatham, Ont.  
Kitchener, Ont.  
Stratford, Ont.  
Woodstock, Ont.  
St. Mary's, Ont.

Portage la Prairie, Man.  
St. Boniface, Man.  
Winnipeg, Man.  
Vancouver, B.C.  
New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.  
Kingston, Ont.  
Oshawa, Ont.

Belleville, Ont.  
Peterborough, Ont.  
London, Ont.

Hamilton, Ont.  
Victoria, B.C.  
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Municipal Affairs Department, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.  
Montreal, P.Q.

Edmonton, Alta.  
Winnipeg, Man.

Vancouver, B.C.  
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Fresh Apples.....	774	Shanghai, China.....	Purchase.
<b>Miscellaneous—</b>			
White Fish Meal, Pilchard and Herring Meal.	775	Peterborough, England....	Purchase.
Ladies' Hand-bags (Suede or Silk).	776	London, England.....	Agency.
Leather Gauntlet Gloves.....	777	Birmingham, England....	Agency.
Kitchen Sinks (Earthenware)...	778	Bristol, England.....	Purchase.
Weighing Scales (for Household and Other Light Uses).	779	New York, U.S.A.....	Agency.
Sound Absorption Materials (Zonolite, Rock Wool, etc.)	780	Leicester, England.....	Purchase.
Chemical Charcoal.....	781	Jersey City, U.S.A.....	Purchase.

## PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

### From Saint John

*To Liverpool.*—Montrose, Dec. 25; Montcalm, Jan. 1; Duchess of Atholl, Jan. 8; Duchess of Bedford, Jan. 15; Montclare, Jan. 22—all Canadian Pacific.

*To London.*—Beaverford, Dec. 24; Beaverbrae, Dec. 31; Beaverhill, Jan. 7; Beaverdale, Jan. 14; Beaverton, Jan. 21—all Canadian Pacific.

*To London, Antwerp and Rotterdam.*—Ravnefjell, Dec. 31; a steamer, Jan. 21—both J. Brock Shipping Co.

*To Manchester.*—Manchester Division, Dec. 24; Manchester Citizen, Dec. 31; Manchester Regiment, Jan. 7; Manchester Commerce, Jan. 14—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Dakotian, Dec. 26; Norwegian, Jan. 9—both Cunard-Donaldson and Dominion Lines.

*To Newcastle and Leith.*—Cairnglen (calls at Dundee), Cairn-Thomson Line, Dec. 29.

*To Glasgow.*—Dorelian, Dec. 31; Sulairia, Jan. 14; Delilian, Jan. 28—all Donaldson-Atlantic Line.

*To Dublin and Belfast.*—Melmore Head (cargo accepted for Cork), Head Line, Jan. 10.

*To Rotterdam, Antwerp and Havre.*—Beaverhill, Jan. 7; Beaverburn, Jan. 21—both Canadian Pacific (do not call at Rotterdam or Havre); Brant County, Jan. 16; Kings County, Feb. 5—both County Line.

*To Hamburg.*—Beaverdale, Canadian Pacific, Jan. 14.

*To Barcelona, Marseilles, Genoa, Naples, Messina, Palermo, Valencia and Seville.*—Capo Leno, Capo Line, Feb. 6.

*To Montevideo and Buenos Aires.*—Flint II (calls at Santos but not at Montevideo), International Freighting Line, Dec. 23; Tacoma, Gardiaz Line, Jan. 20.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, Dec. 23; Lady Drake, Jan. 6; Lady Nelson, Jan. 20—all Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion SS. Corp., January.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—City of Khios, Dec. 30; City of Eastbourne, Jan. 15; City of Glasgow, Jan. 30—all Ellerman & Bucknall SS. Co.

*To Cape Town, Port Elizabeth, East London and Durban.*—Silton Hall, Dec. 25; Mat-tavin (calls at Freetown, Walvis Bay, Lourenco Marques and Beira), Dec. 30—both Elder Dempster Lines Ltd.

### From Halifax

*To Liverpool.*—Newfoundland Dec. 24; Nova Scotia, Jan. 26—both Furness Line; Montrose, Dec. 26; Montcalm, Jan. 2; Duchess of Atholl, Jan. 9; Duchess of Bedford, Jan. 16; Montclare, Jan. 23—all Canadian Pacific; Manchester Exporter, Jan. 2; Manchester Hero, Jan. 23—both Manchester Line; Alaura, Cunard-White Star Line, Jan. 5.

*To London.*—Beaverford, Dec. 25; Beaverbrae, Jan. 1; Beaverhill, Jan. 8; Beaverdale, Jan. 15; Beaverburn, Jan. 22—all Canadian Pacific; Ausonia, Dec. 27; Antonia, Jan. 3; Andania, Jan. 17; Ascania, Jan. 24—all Cunard-White Star Line; City of Flint (calls at Dundee), American Hampton Roads, Dec. 24.

*To Manchester.*—Manchester Division, Dec. 26; Manchester Citizen, Jan. 2; Manchester Exporter, Jan. 2; Manchester Regiment, Jan. 9; Manchester Commerce, Jan. 16; Manchester Hero, Jan. 23—all Manchester Line.

*To Cardiff, Bristol and Swansea.*—Montreal City, Dec. 21; Boston City, Jan. 4; New York City, Jan. 18—all Bristol City Line.

*To Aberdeen, Newcastle and Hull.*—Kyno, Ellerman's Wilson Line, Jan. 10.

*To Avonmouth, Cardiff and Swansea.*—Dakotian, Dec. 28; Norwegian, Jan. 11—both Cunard-Donaldson and Dominion Lines.

*To Glasgow.*—Dorelian, Jan. 2; Sulairia, Jan. 16; Delilian, Jan. 30—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnglen, Dec. 31; Cairnross (calls at Dundee), Jan. 14—both Cairn-Thomson Line.

*To Antwerp.*—Beaverhill, Jan. 8; Beaverburn, Jan. 22—both Canadian Pacific.

*To Hamburg.*—City of Flint, American Hampton Roads, Dec. 24; Beaverdale, Canadian Pacific, Jan. 14.

*To Gothenburg.*—Svaneholm (calls at Copenhagen), Jan. 9; Drottningholm, Jan. 22—both Swedish-America Line.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Amherst, Furness-Red Cross Line, Dec. 21; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Dec. 23; Newfoundland (does not call at St. Pierre), Furness Line, Dec. 24; Belle Isle, Newfoundland-Canada SS. Ltd., Dec. 28.

To *Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad, and Demerara*.—Lady Hawkins, Dec. 31; Lady Drake, Jan. 14; Lady Nelson, Jan. 28—all Canadian National.

To *Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara*.—A steamer, Ocean Dominion SS. Corp., January.

To *Puerto Rico, Barbados, Trinidad and Demerara*.—Chomedy, Dec. 26; Colborne, Jan. 23—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To *Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras)*.—Lady Rodney, Dec. 24; Cavalier (does not call at Hamilton or Nassau), Dec. 31; Lady Somers, Jan. 7; Cathcart (does not call at Hamilton or Nassau), Jan. 14—all Canadian National.

To *Santiago (Cuba) and Kingston (Jamaica)*.—Kirsten B, Dec. 30; Ciss, Jan. 13—both Pickford & Black SS. Line.

To *Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java*.—Silverteak, Jan. 2; Cingalese Prince, Jan. 16—both Silver-Prince Line.

To *Brisbane, Sydney, Melbourne and Adelaide*.—Armada, Dec. 28; Ardenvoehr, Jan. 29—both Montreal-Australia-New Zealand Line.

To *Auckland, Wellington, Lyttelton and Dunedin*.—Canadian Highlander, Dec. 21; City of Glasgow, Jan. 21—both Montreal-Australia-New Zealand Line.

### From Vancouver

To *Yokohama, Kobe and Osaka*.—Heian Maru, Dec. 26; Hikawa Maru, Jan. 13; Hiye Maru, Jan. 23—all Nippon Yusen Kaisha.

To *Yokohama, Kobe, Shanghai, Hongkong and Manila*.—Empress of Japan (calls Honolulu), Jan. 9; Empress of Asia (calls Nagasaki), Jan. 19; Empress of Canada (calls Honolulu), Feb. 20; Empress of Russia (calls Nagasaki), March 6—all Canadian Pacific; Tyn-dareus, Dec. 26; Ixion, Jan. 30; Talthybius, Feb. 27—all Blue Funnel Line (call at Miike but not at Manila).

To *Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay*.—Hopecrest, Dec. 31; Kota Agoeng, Jan. 31—both Silver-Java Pacific Line.

To *Honolulu, Suva, Auckland and Sydney*.—Aorangi, Dec. 30; Niagara, Feb. 17—both Canadian-Australasian Line.

To *Auckland, Wellington, Melbourne and Sydney*.—Golden West (calls at Lyttelton and Dunedin if sufficient cargo offered), Oceanic and Oriental Navigation Co., Jan. 16.

To *Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney*.—Hauraki (calls at Papeete), Dec. 30; Wairuna, Jan. 19—both Canadian-Australasian Line.

To *Brisbane, Sydney, Melbourne, Adelaide and Newcastle*.—Sydic, Jan. 14; Nordic, Feb. 15—both Empire Shipping Co.

To *Sydney, Melbourne and Adelaide*.—Wearpool, December; Anglo Peruvian, December-January; Loch Lomond, January—all Australian Freight Line.

To *London, Liverpool and Rotterdam*.—Lochgoil, Dec. 26; Delftdyk, Jan. 9; Lochkatrine, Jan. 23; Lochmonar (calls at Glasgow), Feb. 6; Dinteldyk, Feb. 20—all Holland-America Line.

To *London, Liverpool and Cardiff*.—A steamer, Reardon Smith Line, January.

To *Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam*.—A steamer, Empire Shipping Co., January.

To *Scandinavian Ports*.—A steamer, Johnson Line, January.

To *Marseilles, Genoa, Leghorn, Naples, Venice and Trieste*.—Fella, Empire Shipping Co., Dec. 31.

To *Port of Spain (Trinidad) and Bridgetown (Barbados)*.—A steamer, Canadian Transport Co., December.

To *Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta*.—A steamer, Silver-Java Pacific Line, January.

To *Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia*.—A steamer, Dec. 28; Hardanger, Jan. 28—both Empire Shipping Co.

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To *London, Liverpool and Glasgow*.—Albion Star (calls at Rotterdam and Dublin), American Mail Line Ltd., Dec. 21; Gracia, Balfour Guthrie & Co., Dec. 26; Lochgoil (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., Dec. 28.

To *Havre, Rotterdam, Liverpool and Glasgow*.—California Express, B. W. Greer & Son Ltd., Dec. 28.

To *Australian Ports*.—Hauraki, Canadian-Australasian Line, Dec. 21; Preneiro, Anglo-Canadian Shipping Co., Dec. 24.

To *South African Ports*.—Mapia, Dingwall Cotts Co., Jan. 5.

To *Manila and Iloilo*.—Hopecrest, Dec. 26; Kota Agoeng, Jan. 25—both Dingwall Cotts & Co.

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## CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

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- Annual Report of the Electricity and Gas Inspection Services. (Price 25 cents.)
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NOTE.—Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. Although subscribers to the Commercial Intelligence Journal are entitled to receive such reports free of charge, in all other cases their distribution is controlled by the King's Printer, who fixes a price therefor as indicated in the following list:—

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L. D. WILGRESS, *Director*

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# COMMERCIAL INTELLIGENCE JOURNAL



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No. 1717



Unloading of Canadian Barrelled Apples at Antwerp

ISSUED BY AUTHORITY OF  
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE  
JAMES G. PARMELEE, DEPUTY MINISTER

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# COMMERCIAL INTELLIGENCE JOURNAL

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Vol. LV

Ottawa, December 26, 1936

No. 1717

## TRADING WITH NORWAY: POINTS FOR EXPORTERS

RICHARD GREW, CANADIAN TRADE COMMISSIONER

Oslo, November 26, 1936.—Although in some respects, owing to the physical features of the country, Norway is a direct competitor with Canada in certain primary products such as lumber, pulp, paper and fish, nevertheless—and even in more subdivided categories of the products mentioned above—there is an opportunity for the sale of a considerable range of Canadian products in this territory.

In order that Canadian firms, who may contemplate exporting their products to Norway, may be familiar with conditions, a brief outline as to the general characteristics of the country, as well as the general methods of doing business, might be of interest. It should be borne in mind, however, that no definite rules can be laid down as regards methods of doing business. There are always exceptions, but the following remarks may be considered as generally applicable.

### PHYSICAL FEATURES

Norway is a long, narrow country, the most north-westerly in Europe, and forms the western and northern section of the Scandinavian peninsula. The most southerly point of Norway is on the same degree of latitude which passes through Labrador, Hudson Bay and the most northerly parts of the Prairie Provinces, and extends in a north-westerly direction to 13° latitude, which is well within the Arctic Circle.

Despite its northerly position, the climate, owing to the Gulf Stream, is far less severe than one would expect. In Oslo, the capital, which lies at 60° North latitude, and which is the northern boundary of the Prairie Provinces, the average yearly temperature is about 42 degrees Fahrenheit; while on the coast in that part of the country lying north of the Arctic Circle, the average temperature is about 34 degrees higher than the average temperature for those latitudes.

The country, which has an area of about 324,000 square kilometres or 125,064 square miles, of which some 23,000 kilometres or 8,878 square miles are composed of 150,000 islands, is bordered on the south, west and north by the sea, and on the east by Sweden and Finland. If all the long inlets and the coastline of the large islands are included, Norway has a coastline of over 12,000 miles.

### POPULATION

According to the latest figures available, the population of Norway is 2,871,400, of which about 30 per cent live in the cities and towns, and the remainder in rural districts. With the exception of Oslo, the capital, with a population of 253,000, there are only five other centres with a population of more than 50,000, of which the largest is Bergen with a population of 98,000. Norway has the smallest population in Europe in relation to its size, but it should be remembered that over 65 per cent of the country is non-productive. On account of this feature, nearly 70 per cent of the inhabitants live near the coast.

The population according to occupation is divided as follows: agriculture and lumbering, 36 per cent; manufacturing and mining, 30 per cent; commerce, 15 per cent; fishing, 6 per cent; shipping, 3 per cent; the balance comprise professional classes and non-workers.

Despite the fact that Norway cannot be considered rich in natural resources, with the exception of her forests, a comparatively high standard of living is maintained, particularly in the more thickly populated districts. Skilled workers receive from \$16 to \$20 per week, which is not as high as for similar work in Canada, but nevertheless, the standard is at a considerably higher level than in many other industrial countries.

While it is not always possible for the Norwegian to purchase the most expensive article, yet, on the other hand, Norway cannot be considered as purely a price market. This is evidenced by the fact that, despite attempts on the part of the Japanese to sell cheap products, they have not been able to create a demand, the Norwegians preferring a better-quality article.

### WEIGHTS AND MEASURES

As in most European countries, the metric system of weights and measures is officially in force in Norway. While practically all firms are familiar with the English system of weights and measures, it is, nevertheless, advantageous to use the metric system if at all possible. If Canadian firms quote their merchandise according to Canadian standards, such for instance as in pounds, it is necessary for the firm in Norway to change the weight or measure into the equivalent metric standard before an actual comparison can be made with similar goods already in the market. Consequently, if the Canadian firm quote their merchandise in metric standards, a great deal of work is obviated on the part of the importer and, in addition, it creates a far better impression. One term of measurement which is very common in Canada, and which should be avoided, is the ton of 2,000 pounds. This unit is not in use in Norway and, if prices are quoted per ton, it should be either the long ton of 2,240 pounds, with which Norwegian firms are familiar, or, and preferably, the metric ton of 2,204.6 pounds. The metric ton is sometimes designated as 1,000 kilograms. In no case should the quotation simply be "so much per ton." This is apt to cause confusion and misunderstanding.

It is a simple matter for Canadian shippers to secure a table of the metric system of weights and measures with their English equivalents.

### LANGUAGE

There is little difficulty regarding the question of language in the two main trading ports, Oslo and Bergen. Practically every trading firm has at least one official who can correspond in English. In fact, the majority of business men, in Oslo particularly, can speak and write in English quite fluently. There is also a considerable number in the import and export business who can correspond in French as well. In this regard, however, it would be advisable to ascertain first if such is the case. The Trade Commissioner can always advise a Canadian firm if correspondence should be conducted in the French language in preference to English.

There is no need for a Canadian firm to go to the trouble and expense of securing a Norwegian translator. Indeed, it is likely that, except in the larger cities, it would be difficult to secure the services of a capable translator. Canadian firms will have little or no occasion to correspond with firms except in Oslo and Bergen, at which places the English language can be considered as quite sufficient.

### CURRENCY

The Norwegian currency does not offer any serious difficulties to prospective exporters from Canada. The unit is the krone, which at par value is equal to

26·8 cents in Canadian currency. There are 100 öre to one krone. The Norwegian currency is linked with that of the United Kingdom, and during the past three years there has been little fluctuation. At present the krone is equal to about 24·8 cents Canadian currency, and for purposes of easy comparison, four kroner can be considered to equal one dollar.

In so far as trading with Canada is concerned, Norwegian purchasers experience no difficulties regarding governmental currency restrictions in obtaining the necessary foreign exchange for settlement of accounts.

#### COMMUNICATIONS

During open navigation on the St. Lawrence River, there is frequent direct steamship service between Canada and Norway. The services are principally maintained for the carrying of Canadian wheat and flour to the Norwegian Grain Monopoly. There are several different lines engaged in this trade. The Norwegian America Line maintains a service between Montreal and the Norwegian ports of Trondheim, Bergen, Stavanger, and Oslo. This is not a regular service, and depends upon how frequently the Grain Monopoly have shipments. This service is not maintained after navigation on the St. Lawrence is closed.

The Hilmar Reksten Line have an occasional service between Great Lake ports and Bergen.

The Fjell Line maintain a sailing approximately once every three weeks from Great Lake ports to Norwegian ports.

During the closed season of navigation on the St. Lawrence there is, unfortunately, no direct steamship connection between Eastern Canada and Norway. Shipments can either be made via New York with direct service to Norway, or with transshipment in England, Copenhagen, Hamburg, or Gothenburg. There is frequent service between all these ports and Norway during the year round. In the case of Gothenburg, goods are shipped by rail to Norway.

From the west coast of Canada a regular service is maintained by the Fred Olsen Line with sailings from Vancouver every three weeks.

#### MANUFACTURING

While Norway cannot be considered as an industrial nation such as, for example, Germany and Belgium, nevertheless in certain lines Norwegian manufacturers enjoy natural advantages which give them an important place in the economy of the nation. In the first place, Norway possesses rich sources of raw materials in her fisheries and forests, and possibly to a lesser extent in her mineral wealth. In the second place, she has an enormous supply of water-power, which has been extensively developed.

During the War, when it was impossible for Norway to secure a wide range of products, the development of various manufacturing industries took place, and to-day the value of the production of factories, and the number of people employed, is greater than in any other industry. The principal manufacturing industries are the iron and steel trade, pulp and paper, food products, and the building trade. There are many other smaller industries which have been developed in recent years, some of which have progressed to the point where they are capable of supplying the entire domestic demand as opposed to considerable imports a few years ago. The development of the electric stove is a good example. At one time Norway offered a good market for imported electric stoves. Now, however, there is only one foreign make on the market.

#### ENTERING THE MARKET

When a Canadian firm contemplates the introduction of their merchandise into Norway, there are certain points which should be observed. In the first

place, when submitting prices, the quotations should be on a c.i.f. basis. It sometimes happens that a Canadian firm will quote f.o.b. factory. Such information is quite inadequate, and the importer, unless he is extremely anxious to handle the particular commodity, is likely to lose interest at once. In these times, when competition is so keen, it is usually not a difficult matter to obtain a similar line and, unless the exporter gives full particulars, the importer will secure a connection elsewhere.

While f.o.b. Canadian seaboard quotations are an improvement compared to the f.o.b. factory, it is a distinct advantage to include transportation charges as well. It is far easier for the shipper to obtain information regarding freight rates than it is for the importer and, in addition, it creates a good impression. In certain cases, f.o.b. seaboard quotations are satisfactory. In cases, for instance, where the market is supplied by considerable imports from the United States, the transportation charges are fairly well known, and in such a case it is not essential to quote c.i.f. To be on the safe side, however, the exporter should make it a rule to quote a price which includes all charges to the port of entry.

Another practice which should be followed, if it is possible, is to use the metric system of weights and measures. This is of great assistance to the importer, who is thereby saved the trouble of converting the Canadian standard which he would otherwise have to do.

The question of currency is not an important one. Quotations can be made in either Canadian or United States dollars, English pounds or Norwegian kroner. Generally speaking, quotations in American currency are preferred to Canadian, as it is better known, but there is no objection if the Canadian currency is used.

Whenever possible, samples should be submitted at the same time that prices are quoted. Norwegian firms invariably ask for samples when approached regarding their interest in any particular commodity. Consequently a considerable amount of time is saved if a sample of the product can be examined at the same time that the price list is studied.

#### TERMS OF PAYMENT

Generally speaking, Norwegian firms are not prepared to establish credits in Canada for the payment of goods. For one thing, the Norwegians consider that to establish a credit is a reflection on their integrity, and if a seller is not prepared to do business except on these terms, they will obtain their requirements from other sources which are prepared to grant more liberal terms.

In a great many different lines, the usual terms to which the Norwegian firms are accustomed are documents on acceptance and payment thirty days after arrival of goods. In this connection it must be remembered that Canadian exporters have to compete against European firms and, particularly in the case of manufactured lines, the European firms are prepared to grant extremely favourable terms.

Unless a particular trade has become accustomed to certain terms of payment, the customary terms are sight draft or cash against documents. By this method the Canadian firm does not lose control of the goods until payment has been made, as the banks will not surrender the documents until they have secured payment.

In certain other lines, it is practically essential to grant credit terms of from 30 to 90 days in order to meet competition from other suppliers. This particularly applies to the machinery trade.

When it is necessary to grant terms, care must be taken to ascertain the financial standing and integrity of the firm in question, and credit should not be granted until the Canadian firm is satisfied that little financial risk is involved. It is not a difficult matter to obtain credit information concerning the foreign importer, either through one of the Canadian banks or a credit information bureau such as *Dun-Bradstreet Limited*.

On the whole, conditions in Norway at present are fairly stable, and there has been a steady, but slow improvement in trade during the past few years. For this reason, the question of granting credit is not such a problem as it was a few years ago. Nevertheless, careful inquiries should be made before such a step is taken.

#### CREDIT INFORMATION

It is a comparatively easy matter to obtain information as to the financial standing of Norwegian firms. In the first place, the Canadian banks have their correspondent banks in Norway and, in addition, the commercial credit organizations in Canada have their counterpart in Norway with which credit information is exchanged. Particulars along these lines may also be obtained from the Canadian Trade Commissioner, and the Department of Trade and Commerce, Ottawa, has information as to the financial standing of a limited number of Norwegian firms.

#### CONSIGNMENT SHIPMENTS

The practice of making shipment on consignment is to be avoided, if at all possible. It is sometimes necessary to send an initial trial order on consignment in order to demonstrate the quality of the Canadian product. This would particularly apply to certain types of machinery and engines, such for instance as an oil burner. Permission to import oil burners must be obtained from a Government licensing board, which will not issue the necessary permit until the burner has been carefully inspected and complies with certain requirements. Import firms are not prepared to purchase goods of this kind until they know that they will conform to Norwegian regulations.

Another practice, which is sometimes suggested by agents, is that the supplier should maintain stocks in a bonded warehouse from which the agent could draw supplies as required. In some cases of this nature, the agent is prepared to put up some sort of guarantee for a proportion of the goods in stock. This practice is quite customary in certain lines for which there is a quick turnover in retail establishments, and in products of which there are many different types.

A good example of this type of trade is the silk hosiery business. The retailer wants to be able to order in small lots whenever his stock of a certain quality, size and colour is depleted. It frequently happens that an agent, who is thoroughly reliable in every way, may not have the means at his disposal to carry stocks on his own account, and unless he can supply the retailers from stock, his sales will be restricted.

On the whole, however, it is not thought advisable to do business on a consignment basis except under unusual circumstances.

#### METHODS OF DISTRIBUTION

Canadian exporters have the choice of several different methods of distributing their merchandise in Norway, of which the following four are the most important:—

- (1) By the appointment of an agent, who sells on a commission basis only.
- (2) By the appointment of an importing firm, who act as sole representative for the entire country and purchases for their own account.
- (3) By dealing direct with a number of different contacts, who purchase for their own use and account.
- (4) By the establishment of a branch organization in Norway.

In actual practice, the first two mentioned methods are used to the greatest extent, and the largest proportion of the goods imported into Norway are handled through agents. This country can be considered as an agency market and, unless there are exceptional circumstances, it would be advisable for Canadian firms to follow this procedure.

## ESTABLISHMENT OF AGENCY

In the majority of cases, the most satisfactory method of introducing Canadian products into Norway is by the appointment of an agent. Depending on the type of commodity handled, the commission varies from 1 to 10 per cent. Where the turnover is fairly large, the commission naturally is smaller. In the case of ready-to-wear goods, for instance, many agents will not handle a line unless they receive a commission of 10 per cent. It frequently happens that the agent will not actually receive the full commission as he will use part of it to lower the price to his customer, if he feels that by doing so he may secure the business.

Considerable care should be taken when the appointment of an agent is to be made. It should be ascertained if the prospective agent has the proper connections to effect the best distribution, and also inquiries should be made as to his reputation and standing. For these purposes the assistance of the Canadian Trade Commissioner is always available. Reports can be obtained as to the financial worth of any concern, and a general idea of the lines handled by a prospective agent is usually available.

Generally speaking, an agent will simply collect orders from his customers which will be forwarded to his connection in Canada. When this is the procedure that is followed, the necessity of having a reliable agent is evident, as the agent must be careful to deal only with firms that will be satisfactory to the agent's principals. It is usually customary for the agent to submit credit reports to his principals on all firms from which orders have been received.

When an agent is handling a line for which there is a good demand, and the turnover is fairly rapid, it often happens that the agent will, in addition to submitting orders from his customers to his principals, purchase for his own account so that he may have a small stock on hand from which he can fill the requirements of his customers at short notice. This practice is quite common in the clothing line when the agent is dealing with retail stores. In fact, it is some times essential for the agent to carry stocks as some retail establishments refuse to stock a line unless they are assured that their stocks can be replenished at short notice.

## SOLE REPRESENTATIVES

It frequently happens that the best distribution can be secured by appointing one firm to take care of the entire sales throughout the whole country, all sales by the Canadian firm being made direct to the representative. In cases of this kind, it is necessary to choose a firm that is well established, either with its own branches in various parts of the country, or having a good sales force with salesmen visiting the rest of the country at regular intervals. If a suitable firm can be obtained, this method is probably more satisfactory from the point of view of the Canadian exporter as all sales are made to the one firm, and there is less danger, for instance, of misinterpreting shipping instructions from several different accounts, each of which may require special attention.

## SELLING DIRECT

It is not considered that satisfactory results will occur by selling direct to a number of different contacts that purchase for their own account. The Norwegian firms much prefer to deal through an agent, who is considered more or less responsible for a particular line. If, by any chance, there is reason to complain as to the outturn of the goods, the firm feels that there is a much better chance of obtaining satisfaction by dealing with an agent than by direct correspondence with the supplier in another country.

In certain lines, such as drugs and proprietary medicines, the appointment of an agent is essential in order to do business. All such products manufactured by overseas firms must secure permission for sale in Norway from an organization

known as the Control Laboratory. Before permission will be granted, the Control Laboratory must analyse the product, and they will not do this unless the application is made through the appointed agent. In other words, a firm wishing to sell drugs or proprietary medicines in Norway must first appoint an agent, who submits the products to the Control Laboratory with full details as to ingredients and prices. If the Control Laboratory are of the opinion that the prices are too high, they will withhold their permission for sale.

### DISTRIBUTION

The city of Oslo is by far the most important distributing centre in Norway. Its population is more than two-and-a-half times greater than the next largest city, Bergen, and it is in the centre of the most thickly populated part of the country. For this reason, it is usually advisable to appoint an agent who is located in Oslo. It is the centre for communication, both by rail and steamer, and the whole country can usually be served by appointing an agent in Oslo, who makes periodical visits to the other centres of importance. It is practically unnecessary to appoint more than one representative in Norway.

Mention should also be made of the practice of appointing one agent for two or more of the Scandinavian countries. This practice is not to be recommended as a general rule, and where possible an agent should be appointed for each of the four countries. There is a certain amount of business rivalry between the countries, and many firms in one country resent being approached by an agent who is located in one of the other countries. Even though the visiting agent may be able to offer some advantage, preference will be given to an agent located in the territory. This tendency is partly due to feelings of sentiment, but it is also due to the fact that, in cases of complaint, the buyer can take the matter up with the agent direct instead of by correspondence.

### BRANCH ORGANIZATION

Owing to the comparatively small market, it is not believed that it would be worth the expense for a Canadian firm to establish their own sales organization in this country. In those lines in which a sales organization might be advantageous in other countries—such, for instance, as electrical household appliances—Norway is already a large producer and supplies practically the entire domestic demand. Consideration might be given to a sales organization for the four Scandinavian countries, but if such a plan is adopted, it would be more advisable to establish the organization either in Stockholm or Copenhagen, as these centres are considerably larger than Oslo.

## IMPORT TRADE OF NORWAY IN 1935

### Items of Interest to Canada

J. A. MacDONALD, ASSISTANT TRADE COMMISSIONER

Oslo, December 5, 1936.—The import trade of Norway in 1935 was valued at 823,849,000 kroner, an increase of 86,642,000 kroner over the previous year. Imports from Canada amounted to 22,670,000 kroner as compared with 18,764,000 kroner in the previous year. The present report lists Norwegian imports of special interest to Canada, together with quantities and the principal supplying countries. For purposes of comparison, Canadian figures are also quoted. When these disagree with the corresponding Norwegian import figures, the discrepancy can usually be explained by indirect shipment. All figures are for calendar years, and the figures in parentheses indicate 1934 imports.

## FOODSTUFFS

*Wheat.*—The total imports of wheat during 1935 increased to 183,295 tons (166,536), about half of which came from Canada, which shipped 90,557 tons (2,379), this enormous increase in the imports of Canadian wheat resulting in no imports at all from the United States, which in 1934 shipped 68,888 tons. Argentina is credited with 68,507 tons (45,731), Soviet Russia with 14,522 tons (41,127), and France with 7,405 tons (2,140). According to the Canadian trade returns, Canada shipped 1,708,468 bushels of wheat to Norway during 1935 as compared with 1,335,183 bushels during 1934.

*Wheat Flour.*—Imports weighed 43,128 tons (44,885), Canada being by far the most important supplier, having contributed 21,194 tons (17,653), while 9,610 tons (12,623) came from Great Britain and Northern Ireland, 6,054 tons (6,454) from France, and 4,205 tons (7,760) from the United States. The Canadian trade returns show increased exports of wheat flour to Norway amounting to 179,421 barrels (149,209).

*Wheaten Groats.*—These imports totalled 1,470 tons (1,574), of which 1,069 tons (984) came from France, 185 tons (70) from Great Britain and Northern Ireland, 128 tons (285) from Germany, and 10 tons (nil) from Canada. No mention is made of wheaten groats in the Canadian trade figures.

*Rye.*—Imports increased to 140,638 tons (137,581), Argentina contributing 66,659 tons (8,493), Soviet Russia 29,767 tons (71,944), Poland and Danzig 20,769 tons (30,632), Sweden 10,748 tons (nil), and Canada 6,985 tons (nil). The Canadian returns show exports of rye to Norway amounting to 16,270 bushels, no mention being made of this article in the 1934 figures.

*Cakes and Biscuits.*—The Norwegian statistics indicate that Norway imported 11.9 tons (11.8) of cakes and biscuits during 1935, of which 115 kilograms (103) came from Canada. This item is not included in the Canadian trade returns.

*Peas, Beans, and Lentils.*—These imports totalled 6,101 tons (6,298), of which Poland and Danzig shipped 2,634 tons (1,365), the Netherlands 983 tons (898), Japan 982 tons (260), and the United States 210 tons (237).

*Fresh Apples and Pears.*—These imports showed an increase, amounting to 2,679.2 tons (2,498), the bulk of which came from the United States, which supplied 1,837.8 tons (1,564.4), 687.2 tons (273.3) from Australia, 97 tons (11.4) from South Africa, and 8.5 tons (nil) from Canada. While no imports are credited to Canada during 1934, the Canadian trade returns indicate that 252 barrels of fresh apples valued at \$1,514 were shipped to Norway during that year, this figure increasing to 404 barrels valued at \$1,629 in 1935.

*Prunes* were imported to a total weight of 1,909.6 tons, practically all of which came from the United States, which contributed 1,887.3 tons. In the Norwegian statistics for 1934 prunes were included in the item "prunes and dried fruits," the total imports of which amounted to 2,300.9 tons in that year, the United States contributing 2,235.5 tons.

*Raisins.*—These imports increased to 2,437.6 tons (1,788.9), over half of which 1,323.1 tons (750.8) came from the United States; Turkey contributed 637.1 tons (458.9), Spain 200 tons (151.6), Soviet Russia 116.7 tons (106.4), and Canada 2.4 tons (nil). No mention is made of this item in the Canadian returns.

*Dried Fruits.*—These were imported to the extent of 865.9 tons, the bulk of which was supplied by the United States, which shipped 804.6 tons, Canada being credited with 4.2 tons (nil). According to the Canadian trade returns, Canada shipped 10,600 pounds (12,000) of dried apples to Norway valued at \$683 (\$922).

*Fruit Juices and Syrups.*—This item is not specified in the Norwegian returns, but according to the Canadian statistics, Canada exported 3,600 gallons (1,800) valued at \$12,000 (\$6,435) to Norway during 1935.

*Casings.*—The imports of casings during 1935 increased to 320.3 tons (306.3), more than half of which, 196 tons (143.7), came from the United States, while Denmark is credited with 33.8 tons (52.9), China with 28.4 tons (31.1), Sweden with 28 tons (32.4), Argentina with 11.1 tons (4.1), Great Britain and Northern Ireland with 9.8 tons (12.3), and Canada with 2 tons (nil). The Canadian trade figures show exports to Norway valued at \$731, a considerable decrease as compared with \$2,024 in 1934.

*Meats.*—Unsmoked meat, other than in whole carcasses, was imported to a total of 237 tons (122.4), the bulk of this trade being divided between Argentina, Iceland, and the United States, which supplied 95.9 tons (47.5), 55.8 tons (nil), and 38.5 tons (47.3) respectively, no imports being credited to Canada, which in 1934 supplied approximately 1 ton.

*Salted Salmon.*—These imports increased to 271.4 tons (220.1), the largest suppliers being the United States with 150.9 tons (179), Japan with 66.4 tons (1.2), and Canada with 48 tons (6.2). This very considerable increase in Canada's contribution is not reflected in the Canadian returns, which show exports to Norway of pickled salmon totalling 1,295 cwt. (2,097) valued at \$18,241 (\$31,848).

*Other Salted or Dried Fish.*—Imports showed an enormous increase, aggregating 2,214.6 tons (807). Most of this trade is credited to Iceland, which shipped 1,420.2 tons (90.2), Great Britain and Northern Ireland supplying 553.9 tons (421.6), Finland 142.5 tons (67.1), and Canada 2.8 tons (nil). This item does not appear in the Canadian trade returns.

*Cheese.*—Imports increased to 115.4 tons (98.3), of which 41.2 tons (37.1) are credited to Denmark, 21.9 tons (13.9) to France, 15.6 tons (13.2) to Switzerland, 12.3 tons (8) to the Netherlands, 9.2 tons (1.8) to Sweden, 8.4 tons (7.3) to Great Britain and Northern Ireland, and about half a ton (nil) to Canada. This item does not appear in the Canadian statistics.

*Miscellaneous Food Products.*—Other Canadian foodstuffs exported to Norway, and shown only in the Canadian returns, are: canned lobster, 188 cwt. valued at \$11,610; canned salmon, 24 cwt. (60) valued at \$225 (\$511); and honey, 1,575 pounds (1,320) valued at \$123 (\$82).

*Dry Tobacco Leaves.*—These imports aggregated 2,619.8 tons (2,444.4), most of which, 2,031.1 tons (1,679.8), came from the United States. Greece supplied 172.8 tons (19.8), Turkey 132.2 tons (68.5), Bulgaria 82.5 tons (nil), Dutch India 55.2 tons (20), and South Africa 29.3 tons (16.7).

*Smoking Tobacco.*—Imports weighed 52.1 tons (38.9), of which 33.4 tons (20.9) are credited to the Netherlands, 8.6 tons (6.9) to the United States, and 8 tons (8.6) to Great Britain and Northern Ireland.

*Spirituous Liquors.*—Imports of spirituous liquor in bottles increased to 227,379 litres (200,305), of which 154,205 litres (142,927) came from Great Britain and Northern Ireland, 60,395 litres (47,457) from France, and 868 litres (nil) from Canada. The Canadian returns show no exports to Norway in 1935, and only 4 proof gallons of whisky, valued at \$26, in 1934. The imports of spirituous liquors in casks totalled 848,216 litres (745,070), of which Great Britain and Northern Ireland supplied 404,621 litres (344,518) and France 332,857 litres (321,815).

#### TEXTILES

*Rope-yarn, Untarred.*—This was imported to a total weight of 395 tons (465.1), the largest contributor being Denmark, which is credited with 99 tons (85.6), while Belgium supplied 72.4 tons (37), Italy 63.3 tons (96.1), Mexico

35 tons (10), Great Britain 31.2 tons (43.2), the United States 26 tons (46.8), Sweden 23.4 tons (87.9), and Canada 8 tons (nil). While this item is not mentioned in the Canadian returns, binder twine is specified, exports to Norway amounting to 176 cwt. (594) valued at \$968 (\$3,361).

*Real Silk Stockings and Socks.*—These imports decreased to 468 kilograms (607), the most important suppliers being the United States, which shipped 176 kilograms (138); Germany, which shipped 150 kilograms (324); and Canada, which is credited with 39 kilograms (nil). The Canadian trade figures show exports to Norway of 777 dozen pairs (552), to a total value of \$6,507 (\$4,730).

*Artificial Silk Stockings and Socks.*—These were imported to the extent of 50,870 kilograms (49,396), of which Germany supplied 25,512 kilos (35,806), Czechoslovakia 22,442 kilos (9,709), the United States 720 kilos (345), and Great Britain and Northern Ireland 710 kilos (590).

*Real Silk Fabrics.*—These were imported to a total weight of 6,914 kilos (6,624), the most important contributors being France with 2,262 kilos (1,573), Germany with 1,541 kilos (1,256), Japan with 740 kilos (526), and Great Britain and Northern Ireland with 612 kilos (1,234).

*Artificial Silk Stockinet and Net Material.*—Of these imports, which totalled 1,704 kilos (2,505), Germany and Great Britain and Northern Ireland were practically the only suppliers with 1,044 kilos (800) and 341 kilos (1,508) respectively.

*Ready-made Garments.*—Artificial silk stockinet garments were imported to an aggregate of 12,808 kilos (8,962), of which 6,974 kilos (6,138) came from Germany, 2,766 kilos (663) from Czechoslovakia, and 1,255 kilos (771) from the United States.

*Other Artificial Silk Goods.*—These imports increased to 444,629 kilos (385,470), Germany supplying 111,500 kilos (116,318), Great Britain and Northern Ireland 97,135 kilos (113,845), France 67,337 kilos (48,426), Japan 63,256 kilos (21,163), and Czechoslovakia 41,501 kilos (8,053).

*Silk Clothing of All Kinds.*—Total imports were to the extent of 23,917 kilos (22,878), Germany being the most important supplier with 15,993 kilos (16,866), while from the United States only 1,114 kilos (657) were imported.

*Corsets and Brassières.*—This item is not specified in the Norwegian statistics, but according to the Canadian returns Canada exported to Norway 208 corsets and brassières (34) to a total value of \$253 (\$84).

*Woollen Felt and Press Cloth.*—These for technical use (largely paper-makers' felts) were imported to a total of 165,196 kilos (152,697), of which Sweden supplied 60,557 kilos (54,542), Germany 47,828 kilos (48,038), Great Britain and Northern Ireland 30,984 kilos (35,493), Austria 11,289 kilos (3,240), France 8,192 kilos (6,984), the United States 4,122 kilos (1,470), and Canada 230 kilos (893). The Canadian trade returns mention exports to Norway of manufactures of felt to a value of \$1,332, a considerable decrease from the 1934 figure, which amounted to \$4,581.

*Woollen Clothing.*—These imports decreased to 50,764 kilos (61,526), of which about half came from Germany, which shipped 25,042 kilos (37,617), while Austria is credited with 8,077 kilos (5,537), Denmark with 5,159 kilos (8,251), Hungary with 4,358 kilos (1,161), Great Britain and Northern Ireland with 3,674 kilos (4,294), and Sweden 1,697 kilos (1,731).

*Cotton Materials.*—The imports of cotton materials, weighing at least 400 grams to the square metre, increased to 233,261 kilos (190,360), the chief suppliers being Belgium and Germany, which shipped 73,301 kilos (55,713) and 47,526 kilos (50,421) respectively. Great Britain and Northern Ireland are credited with 27,570 kilos (16,101), and the United States with 3,149 kilos

(5,085). Although Canada is not listed among the countries of origin in the Norwegian statistics, the Canadian returns show exports to Norway of 600 yards (1,628) of cotton fabrics valued at \$90 (\$369).

*Cotton and Linen Clothing.*—These imports decreased considerably, from 170,768 kilos in 1934 to 107,386 kilos in 1935. The largest suppliers were Great Britain with 28,964 kilos (38,993), Germany with 28,052 kilos (47,892), Japan with 15,308 kilos (38,504), and the United States with 10,425 kilos (14,845). No mention is made of Canada, but the Canadian statistics show exports of cotton clothing to Norway to a value of \$614 (\$298).

*Miscellaneous Textile Items.*—The following textile imports from Canada are shown in the Canadian trade returns although they are not specified in the Norwegian import statistics: cotton duck 28,506 yards valued at \$7,405 (57,380 yards valued at \$14,679), textile bags valued at \$480 (nil), cotton underwear valued at \$120 (nil), and other manufactures of cotton valued at \$300 (\$898).

### LEATHER AND LEATHER PRODUCTS

*Sole Leather.*—These imports increased to 137 tons (127·2) in 1935, of which 33·6 tons (43) came from Denmark, 29·6 tons (16·2) from Germany, 27·1 tons (14·6) from Great Britain and Northern Ireland, 15 tons (7·3) from Belgium, 12·4 tons (23·7) from Sweden, and 10·7 tons (14·3) from France. No imports are shown as coming from Canada in 1935, either in the Norwegian or the Canadian statistics, although in 1934 the Canadian returns show exports of sole leather to Norway weighing 385 pounds and valued at \$139.

*Upper Leather.*—The imports of upper leather of all kinds totalled 224·4 tons (217), the bulk of this trade being divided between Germany, which supplied 72·3 tons (76·5), and Great Britain and Northern Ireland, which shipped 66·9 tons (56·1), while Sweden is credited with 29·8 tons (30·7), the United States with 28 tons (25·9), and Canada with 1·7 tons (nil). The Canadian trade figures indicate that Canada shipped patent leather to Norway to a value of \$8,591, and other upper leather to a value of \$2,823, the total figure for these two items in 1934 being \$15,463.

*Leather Footwear.*—These imports totalled 90 tons (102·7), the chief suppliers being Czechoslovakia with 29·3 tons (32·4) and Germany with 22·5 tons (31·5), while Switzerland shipped 13·1 tons (12·8), Sweden 9·5 tons (8·6), Great Britain and Northern Ireland 7·3 (10·6), and the United States 3·8 tons (4·4). The Canadian trade returns indicate that Canada supplied 30 pairs (32) of boots and shoes of leather valued at \$70 (\$65), and other manufactures of leather valued at \$65 (nil).

### OILS AND RUBBER PRODUCTS

*Herring Oil.*—The imports of herring oil increased enormously during 1935, aggregating 9,557·7 tons as compared with only 1,228·5 tons in the previous year. Most of this oil came from Iceland, which shipped 6,283·4 tons (791), while Japan supplied 2,711·7 tons (317·5), Great Britain and Northern Ireland 223·3 tons (43·4), and Canada 163·6 tons (nil). This item is not specified in the Canadian trade returns.

*Medicinal Cod Liver Oil.*—This was imported to a total of 591·4 tons (761·9), the bulk of this trade being divided between Japan and Germany, which shipped 235·5 tons (nil) and 209 tons (nil), while Iceland supplied 68·6 tons (739·6), Newfoundland 20·1 tons (nil), and the United States 11·8 tons (nil).

*Miscellaneous Fish Oils.*—These imports decreased to 3,449·8 tons (4,697·9), most of which were credited to Japan, which contributed 2,372·3 tons

(581·2), while Great Britain and Northern Ireland shipped 295·4 tons (1,243·7), Germany 276·6 tons (1,917·4), Denmark 202·4 tons (208·4), Iceland 181·5 tons (638·9), and Canada 29·5 tons (nil). The Canadian trade returns indicate that Canada shipped 35,644 gallons (22,103) of fish oil to Norway valued at \$7,063 (\$3,137).

*Mineral Oils.*—The imports of mineral oils increased to 12,966 tons (10,880), over half of which, 7,295 tons (3,368), came from the United States, other suppliers being Germany with 2,123 tons (3,570) and Great Britain and Northern Ireland with 2,057 tons (2,182). While the Canadian returns show exports of 2,002,350 gallons of mineral oil to Norway during 1934, valued at \$42,908, no exports are shown to Norway in 1935.

*Cellulose Lacquers.*—These imports also increased, totalling 124·5 tons (119·9), of which 41·5 tons (47) came from the United States, 35·5 tons (13·2) from Germany, 30·2 tons (34·8) from Sweden, and 13·1 tons (18·5) from Great Britain and Northern Ireland.

*Automobile Tires.*—Norway imported automobiles tires to the extent of 636·2 tons (691·4) during 1935, the bulk of this trade being held by the United States which shipped 371·4 tons (419·7), while 72·1 tons (51·5) came from Canada, 60·8 tons (56·8) from Great Britain and Northern Ireland, 57·4 tons (70·3) from Belgium, 25·4 tons (24·7) from France, 22·1 tons (21·6) from Germany, and 16·7 tons (35·3) from Italy. According to the Canadian returns, Canada exported to Norway 11,424 pneumatic tire casings valued at \$79,555 in 1935, and 11,781 valued at \$77,630 in the previous year.

*Inner Tubes for Automobiles.*—These are not specified in the Norwegian statistics, but from the Canadian trade returns it appears that 4,809 inner tubes valued at \$3,392 were shipped from Canada to Norway in 1935, as compared with 3,560 valued at \$2,583 in 1934.

*Rubber Soles and Heels.*—These imports aggregated 112·4 tons (128·5), of which the United States shipped 51·5 tons (41·3), Great Britain and Northern Ireland 26·2 tons (31), Belgium 18·1 tons (14·9), and Sweden 8·1 tons (8).

*Galoshes and Rubber Footwear.*—These imports show a remarkable reduction, totalling only 290·6 tons as compared with 552·7 tons in 1934. As in the previous year, the most important shipper was Japan, which is credited with supplying 103·2 tons (306·1). Other contributors were Sweden, which sold 62·8 tons (63·2), Czechoslovakia 46·7 tons (53·3), Germany 24·8 tons (33·1), Canada 16·5 tons (11·8), the United States 15·8 tons (16·9), Great Britain and Northern Ireland 9·6 tons (41·6), and Finland 8·8 tons (11·7). In the Canadian trade returns this item is divided up into canvas shoes with rubber soles, of which Canada exported 216 pairs (3,249) valued at \$152 (\$1,738), and boots and shoes of rubber, of which 12,506 pairs (12,917), having a total value of \$15,198 (\$12,716), were shipped to Norway.

*Miscellaneous Rubber Goods.*—All other manufactures of rubber are grouped together in the Norwegian statistics, showing a total import of 751·9 tons (677·7), of which Great Britain and Northern Ireland and the United States were the largest suppliers, shipping 256·4 tons (228·8) and 234·6 tons (189·5) respectively. Germany is credited with 45·7 tons (92·2), Dutch India with 43 tons (50·7), Austria with 35·7 tons (9·2), and Canada with 13·2 tons (nil). In the Canadian trade returns, however, this item is divided up, and exports to Norway are indicated as follows: rubber belting 41,124 pounds (4,744) valued at \$10,213 (1,184); rubber hose to a value of \$3,956 (\$1,684); rubber clothing to a value of \$6,451 (\$3,624); and all other manufactures of india-rubber to a total value of \$3,203 (\$4,822).

#### WOOD AND PAPER PRODUCTS

Norway's imports of wood and wood products are small and therefore not of very great importance, and the Norwegian statistics do not show any imports

of these products as coming from Canada. The Canadian statistics, however, specify exports to Norway of hardwood logs valued at \$949 (nil), planks and boards of birch valued at \$47 (nil), \$2,386 worth of other sawmill and planing mill products, as compared with \$1,144 during 1934, all other manufactures of wood to a value of \$272 (\$232), and 48 cwts. of wood-pulp (sulphate) valued at \$186 (nil).

*Panelling and Insulation Board.*—This is one of the most important groups of paper products mentioned in the Norwegian import statistics, the total of which amounted to 1,032.8 tons, a considerable increase as compared with the 764 tons imported during 1934. The chief supplier was Sweden which shipped 642.5 tons (419.5), while 186.1 tons (163.9) came from the United States, 9.8 tons (nil) from Poland, 7.5 tons (77.4) from Germany, and 7.4 tons (nil) from Canada. This item is not mentioned in the Canadian returns.

*Wallpaper.*—This product was imported to an aggregate weight of 243.8 tons (218.8), of which 104.4 tons (78.3) were supplied by Germany, 82.3 tons (89.3) by Sweden, 23.6 tons (22.9) by Great Britain and Northern Ireland, and 17.2 tons (21.1) by Switzerland. The Canadian trade returns indicate that the imports from Canada increased from 783 rolls valued at \$497 in 1934, to 927 rolls valued at \$290 in 1935.

*Miscellaneous Paper Products.*—The Canadian returns show exports to Norway of book paper valued at \$266 (\$27), and of other paper and manufactures of paper to a value of \$437 (\$271).

#### MINERALS AND METALS AND MANUFACTURES THEREOF

*Coal.*—Imports totalled 2,114,643 tons (2,066,268), most of which, 1,342,672 tons (1,398,856), came from Great Britain and Northern Ireland, while Poland and Danzig shipped 460,587 tons (412,972), Spitzbergen 229,644 tons (229,573), and Germany 77,699 tons (23,109). Canada is not mentioned, but the Canadian returns show exports of coal to Norway amounting to 2,689 tons (nil), valued at \$12,534 (nil).

*Carbon Electrodes.*—The import trade in carbon electrodes decreased from 5,834 tons in 1934 to 3,142 tons in 1935, the most important supplier being Canada which shipped 1,861 tons (1,643), while 819 tons (1,376) came from Germany, 203 tons (517) from Great Britain and Northern Ireland, 200 tons (nil) from Yugoslavia, and 18 tons (2,265) from the United States. While the Norwegian statistics show increased imports from Canada, the Canadian returns indicate a decrease from \$223,086 in 1934 to \$94,969 in 1935.

*Nickel-Copper Matte.*—These imports increased to 9,020.5 tons in 1935 (8,508.8), practically all of which came from Canada which contributed 8,796.6 tons (8,508.8), while the United States shipped 223.4 tons (nil). The Canadian trade figures show exports to Norway of 48,619 cwts. (53,507) of fine copper contained in ore, matte, regulus, etc., to a total value of \$234,712 (\$249,062), and 103,870 cwts. (\$106,717) of nickel contained in ore, matte or speiss, having a total value of \$1,866,481 (\$1,919,923).

*Raw Lead.*—Imports increased to 3,718 tons (3,216.4), practically all of which came from Mexico which is credited with 3,093.1 tons (528.3), while Spain is credited with 382.2 tons (197.2), Great Britain and Northern Ireland with 121.6 tons (137.1), Canada with 55.9 tons (nil), and the United States with nil (1,613.3). This item is not included in the Canadian returns, but lead in pigs, refined lead, etc., were imported to the extent of 672 cwts. valued at \$1,156 in 1934; no figures are shown for 1935.

*Manufactures of Aluminum.*—These were imported to the extent of 65.4 tons (67.6), the countries of origin not being specified in the Norwegian statistics. According to the Canadian trade returns, however, Canada's shipments of aluminum articles to Norway during 1935 decreased to \$861 (\$1,214).

*Bolts and Nuts of Iron and Steel.*—These were imported to a total of 702·9 tons, a considerable increase as compared with the 569·9 tons imported in the previous year. The countries of shipment were Germany with 409·4 tons (234·4), Sweden with 142·6 tons (125·1), Great Britain and Northern Ireland with 59·4 tons (50·3), the Netherlands with 52·7 tons (112·4), the United States with 18·4 tons (20·4), and Canada with 4·1 tons (nil). The Canadian figures indicate that Canada's contribution amounted to 92 cwts. (236) valued at \$1,246 (\$3,339), and also that screws of iron and steel were shipped to Norway to a value of \$157 (\$73).

*Copper and Bronze Wire.*—These imports increased to 3,616 tons (2,997·6), the bulk of this trade being credited to the United States which supplied 2,911·2 tons (1,982·4), other important suppliers being Sweden with 366·9 tons (371·3), Germany with 255·3 tons (128·7), and Great Britain and Northern Ireland with 77·1 tons (433·1). The Canadian returns show exports to Norway of insulated copper wire and cable to a value of \$614 (\$473).

Other metal items, not specified in the Norwegian statistics, but shown in the Canadian trade returns as having been shipped to Norway, are: copper in ingots, bars, etc., 1,113 cwts. valued at \$7,295 (nil), and platinum contained in concentrates or other forms to a total value of \$114,761 (\$110,569).

*Saws and Saw Blades.*—The total import trade in saws and saw blades was valued at 510,847 kroner (443,225), over half of these imports coming from Sweden which is credited with 267,260 kroner (253,572), Germany shipping for 85,770 kroner (66,312), the United States for 77,675 kroner (73,997), and Great Britain and Northern Ireland for 63,755 kroner (33,342).

*Ploughs.*—Norway imported 526 ploughs (511) to a total value of 32,824 kroner (33,923) in 1935, the countries of origin, however, not being specified. In the Canadian trade returns Canada's contribution is valued at \$66 (\$272).

*Miscellaneous Tools and Implements.*—These were imported to a total value of 4,038,384 kroner, an increase as compared with 3,446,555 kroner in 1934. The bulk of this trade was divided between Germany and Sweden which are credited with 1,588,596 kroner (1,143,837) and 1,072,046 kroner (1,078,460 respectively). The United States shipped for 669,412 kroner (570,754), Great Britain and Northern Ireland for 373,086 kroner (328,397), and Denmark for 112,449 kroner (151,597). No mention is made of Canada, but the Canadian statistics specify the following exports to Norway: garden and farm tools to a value of \$1,598 (\$1,948), parts of farm implements and machines to a value of \$816 (\$308), and other tools, hand or machine, to a value of \$111 (\$46).

*Miscellaneous Metal Manufactures.*—Other metal manufactures exported to Norway, according to the Canadian returns, are: pipe fittings of iron and steel to a value of \$62 (\$94), 250 pairs of skates (52) valued at \$312 (\$60), and all other manufactures of iron and steel to a value of \$221 (\$531).

#### SHIPS, VEHICLES, MACHINERY, ETC.

*Ships.*—Norway imported 17 (9) second-hand steamships to a total of 28,061 registered tons (18,981), 5 of which came from Great Britain and Northern Ireland, 3 from France, 3 from Denmark, and 1 ship of 5,492 registered tons from Canada as compared with 4 ships to a total of 15,044 registered tons in 1934. While the Canadian returns give the value of these 4 ships as \$70,000, no figures are given for 1935.

*Passenger Automobiles.*—The number of passenger automobiles imported increased to 3,335 (2,744) to an aggregate value of 9,408,000 kroner (8,103,000), of which 1,147 (1,390) valued at 3,257,000 kroner (4,036,000) came from Denmark, where two United States assembly plants are located, 938 (872) valued at 3,078,000 kroner (2,850,000) from the United States, 626 (150) valued at 1,658,000 kroner (398,000) from Germany, and 329 (225) valued at 716,000 kroner (492,000) from Great Britain and Northern Ireland.

*Freight Automobiles.*—These were imported to a total of 2,950 units (2,621) to an aggregate value of 7,998,000 kroner (7,084,000). They were mostly divided between Denmark and the United States, while the Canadian statistics indicate that Canada exported one freight automobile to Norway in 1935, the value of which was \$943 (nil).

*Automobile and Aeroplane Parts.*—These are grouped together in the Norwegian import statistics, having a value of 2,659,701 kroner in 1935 (2,409,154). The bulk of these imports come from the United States which shipped for 1,822,372 kroner (1,000,893). Great Britain and Northern Ireland shipped for 302,289 kroner (299,276), Germany for 278,179 kroner (156,921), Sweden for 82,101 kroner (95,521), France for 67,265 kroner (64,298), Denmark for 54,417 kroner (662,935), and Canada for 2,867 kroner (5,764). According to the Canadian trade returns, Canada's exports to Norway of parts for automobiles increased to \$2,411 (\$1,920).

*Accumulators and Parts.*—These were imported to an increased weight of 522.4 tons (438), of which 166.9 tons (135.4) are credited to the United States, 183.1 tons (87.9) to Germany, 84.4 tons (83.2) to Sweden, 64.3 tons (88.8) to Great Britain and Northern Ireland, and 19.1 tons (9.6) to Canada. This increase in Canada's contribution is also reflected in the Canadian returns which show exports to Norway of storage batteries to a value of \$5,139 (\$3,421), and of other batteries to a value of \$272 (nil). The Canadian statistics also mention exports to Norway of electrical apparatus to a value of \$371 (nil).

*Vacuum Cleaners and Parts.*—These imports increased to a total value of 610,604 kroner (514,000), the bulk of these imports coming from Sweden, Germany, and Denmark, which shipped for 245,569 kroner (190,699), 193,308 kroner (141,010) and 154,062 kroner (175,562) respectively, while Great Britain and Northern Ireland are credited with 8,961 kroner (3,193) and the United States with 5,697 kroner (3,364).

*Adding and Calculating Machines and Parts.*—The value of these imports increased considerably, from 432,004 kroner in 1934 to 679,785 kroner in 1935. Most of this trade was divided between the United States and Sweden which are credited with 376,200 kroner (253,593) and 214,344 kroner (132,940) respectively. Other suppliers were Germany which shipped for 47,299 kroner (38,300), Great Britain and Northern Ireland for 32,602 kroner (2,111), and Switzerland for 8,416 kroner (4,183). The Canadian trade figures show exports to Norway of 5 adding and calculating machines (10), having a total value of \$690 (\$750).

*Mowing Machines.*—These were imported to a total value of 719,992 kroner, a considerable increase over the 1934 imports which were valued at 572,794 kroner. Most of these imports came from Sweden which is credited with 599,759 kroner (499,675), while Germany supplied for 61,319 kroner (53,350), Canada for 29,180 kroner (nil), the United States for 13,985 kroner (4,155), and France for 10,202 kroner (2,309). According to the Canadian trade returns, Canada shipped 113 mowing machines (nil) to Norway in 1935, to a total value of \$5,446.

*Machine Belting of All Kinds.*—These were imported to a value of 378,646 kroner (350,107), of which Great Britain and Northern Ireland shipped for 145,774 kroner (137,462), the United States for 79,031 kroner (61,113), Sweden for 53,677 kroner (72,818), Germany for 41,491 kroner (52,254), and Canada for 19,666 kroner (nil). This item is not mentioned in the Canadian returns which, however, specify exports to Norway of rubber belting which will be found under the sub-heading "miscellaneous rubber goods" (*ante*).

*Miscellaneous Machinery.*—Other items exported from Canada to Norway during 1935, and specified only in the Canadian trade returns, are: harvesters and binders, 1 valued at \$151 (nil), and machinery and parts n.o.p. to a total value of \$707 (\$4,934).

## HOUSING SCHEMES IN BIRMINGHAM, BRISTOL, AND CARDIFF

L. H. AUSMAN, ACTING TRADE COMMISSIONER

Bristol, December 4, 1936.—The erection of houses by private enterprise in the United Kingdom declined progressively in the years before 1914 and was at an extremely low level during the war years. With the return to more normal conditions in 1919, the need to remedy the acute housing shortage was recognized by the Government, it being felt that unless public assistance were rendered at once the increasing demand for accommodation would more than tax the resources of private enterprise to cater to it.

The nature of the assistance provided by the Ministry of Health has been modified from time to time, but the underlying principle has been to secure the co-operation of the various municipalities by offering a subsidy in relation to the number of new houses built.

### LEGISLATION UNDER WHICH GRANTS MADE

The various Acts under which these grants have been made are set out in the following tabulation, showing the amount of the Exchequer contribution under each Act:—

Date	Housing Act	Government Assistance
1919	Housing Town Planning, etc., Act, 1919	Liability of local authorities limited to 1d. in the pound from rates. Government bore all other loss.
1919	Housing Additional Powers Act, 1919	Assistance to private persons erecting houses.
1923	Housing Act, 1923. (Housing Town Planning, etc., Act, 1919, repealed.)	(1) £6 per house per annum for 20 years to local authorities.
	(Later limited to schemes completed by September 30, 1925.)	(2) One-half the annual deficiency with respect to slum clearance and re-housing schemes.
1924	Housing (Financial Provisions) Act, 1924.	£9 per house per annum for 40 years to local authorities.
1925	Housing Act, 1925. (Housing of the Working-Class Act, 1890, repealed. Permanent law relating to housing consolidated.)	
1926	Housing Acts (Revision of Contributions) Orders, 1926 and 1928 and the Housing (Revision of Contributions) Act, 1928.	
	For houses completed after September 30, 1927, the revised rates were as follows:	
	(a) Under the 1923 Act	£4 per house per annum for 20 years.
	(b) Under the 1924 Act	£7 10s. per house per annum for 40 years.
1928	Housing Acts (Revision of Contributions) Order, 1928. After September 30, 1929, no Exchequer payment would be payable unless subject to special conditions as to letting.	
1930	Housing Act, 1930.	A grant of 45s. per person displaced by slum clearance and for whom re-housing accommodation is rendered available.
1933	Housing (Financial Provisions) Act, 1933. The powers of the Minister of Health to make contributions under the 1923 and 1924 Acts were abrogated except in the case of proposals submitted before December 7, 1932. This Act, however, extended the power of local authorities to assist the provision of houses by furnishing guarantees to building societies, and provision was made by the Act that in approved cases any loss falling upon a local authority in consequence of guarantees would be shared equally between the Government, the local authority, and the building society.	Agreement to share losses with local authorities and building societies.

Date	Housing Act	Government Assistance
1935	Housing Act, 1935. A standard for determining overcrowding is laid down.	To local authorities providing dwellings to remedy overcrowding: a sliding scale beginning at £5 per annum per dwelling, for a period not exceeding 20 years. This amount varies with relation to the value of the site developed.
1936	Housing Bill introduced for the purpose of consolidating the permanent law relating to housing.	

With the cessation of direct subsidies in 1932 it was hoped that an inducement would be given to private enterprise to build working-class houses. The provisions of the 1933 Act were also intended as a step in the same direction. The extent to which this took place in the cities of Birmingham, Bristol, and Cardiff will be seen from the following:—

POPULATION

For purposes of comparison it will be of interest to show the present estimated population of the three cities under review together with the census figures for the years 1921 and 1931 and the 1936 estimate:—

	1921	1931	1936 (Estimated)
Birmingham.. . . .	922,167	1,002,603	1,033,000
Bristol . . . . .	377,018	397,012	412,500
Cardiff . . . . .	219,580	223,589	222,600

The 1931 census figures are so arranged as to show the relationship between the population and the available housing. This is set out in the following table:—

	Private Families	Population in Private Families	Structurally Separate Dwellings Occupied	Rooms <sup>1</sup> Occupied	Persons per Room
Birmingham.. . . .	249,907	962,155	236,661	1,161,545	0.83
Bristol . . . . .	104,360	378,865	83,584	468,929	0.81
Cardiff . . . . .	54,820	212,852	42,987	248,521	0.86

<sup>1</sup> Including bedrooms, living rooms, kitchens, etc., but not bathrooms, closets, landings, etc.

BIRMINGHAM

Having taken advantage of the various Government subsidies from their inception, the Corporation of Birmingham formally opened by a fitting ceremony its 40,000th house on October 23, 1933, and since that time the number has increased to 46,990. According to the type of accommodation this figure is made up as follows: parlour-type houses, 11,380; non-parlour-type houses, 27,327; small non-parlour-type houses, 6,886; flats, 180; maisonettes, 1,217—a total of 46,990.

PRIVATE BUILDING

From January 1, 1931, to August 31, 1936, private enterprise in Birmingham erected 22,145 houses as against 11,002 erected by the corporation during the same period.

FINANCING THE SCHEME

In order to meet the cost of building these dwellings, the corporation each year set a limit for loss beyond which no call would be made on the city's finances. Originally fixed at 3d. in the pound on the rates in 1922, it was increased to 4d. in 1926 and to 5d. in 1927. At that time the loss represented an annual contribution from the city of £125,000. In 1929 it was decided to vote a definite sum, which in that year was fixed at £130,000 and increased the following year to £150,000—at which it still stands, though actually under the Acts to which it applies the cost now lies well inside this limit. The Housing Acts of 1930 and

1935 have altered the position and have placed upon the municipality the definite obligation to remedy the evils of slums and overcrowding.

#### COST OF HOUSES AND RENTALS

Throughout the period of building since 1919 the costs of construction have varied, and in the earlier years were very high.

For the parlour types of houses (none built recently) the average price was £390; for the other types of dwellings recent prices are as follows: non-parlour (three bedrooms), £301 to £315; small non-parlour type (three bedrooms), £265 to £296; small non-parlour type (two bedrooms), £248 to £261; three-bedroom maisonettes, £280 to £298; two-bedroom maisonettes, £247 to £255.

These figures are for the house only (including paths, drains, and fencing), and it may be taken that the other inclusive costs of estate development (land, street construction, etc.) vary from £60 to £70 per house on most of the undeveloped sites. With the advantage of the Government subsidy and the amount that the corporation allow under the housing Acts, the average net rentals and the average gross rentals (including rates) are as follows:—

		Net Rental		Gross Rental	
		s. d.	s. d.	s. d.	s. d.
Small non-parlour . . . . .	2 bedrooms	5 10	to 6 7	8 0	to 8 9
Small non-parlour . . . . .	3 bedrooms	6 6	to 7 8	9 0	to 10 8
Non-parlour . . . . .	3 bedrooms	7 3	to 8 5	10 6	to 11 8
Parlour . . . . .	3 bedrooms	8 7	to 11 0	13 6	to 16 3
Parlour . . . . .	4 bedrooms	9 5	to 10 9	15 6	to 16 10
Maisonettes . . . . .	1 bedroom	4 10	to 5 1		6 6
Maisonettes . . . . .	2 bedrooms	4 6	to 5 7	6 5	to 7 6
Maisonettes . . . . .	3 bedrooms		5 6		8 0
Flats . . . . .	2 bedrooms		6 9½		9 0
Flats . . . . .	3 bedrooms		8 0½		10 6

#### ESTATE SITES

With regard to the sites generally throughout the city, so far as possible full use was made of those fronting to streets already constructed, but such of those sites as could be economically developed were soon exhausted and land was sought in various parts of the city where the price was low and building could proceed on a large scale, consideration being given to accessibility by tram, omnibus, and train.

As to the development of the sites, careful attention was given to laying them out upon pleasing lines and with a view also to the retention as far as practicable of natural features. Where necessary trees have been planted and garden space, both front and back, has been given to each house. Areas for recreation and for community centres have also been provided.

The number of houses to the acre is generally in accordance with the restriction imposed by the Corporation Town Planning Schemes and the Housing Act of 1924, being for the most part twelve to the acre, but in a few cases fifteen to the acre. In providing for development generally, and especially in regard to the large estates, attention has been given to the needs of the community in such matters as shops, doctors' houses, police buildings, schools, places of worship, public halls, and welfare centres.

#### BRISTOL

Between 1919 and 1936 the Corporation of Bristol provided a total of 12,320 dwellings as a means of overcoming the acute post-war shortage of houses and in an endeavour to remedy the increasing overcrowding and slum conditions in the city. During the same period private enterprise accounted for an additional 14,789 houses.

During each fiscal year ended March 31 since 1931 the respective totals have been as follows:—

Year ended March 31	Corporation	Private Enterprise
1931 .....	1,068	931
1932 .....	1,939	1,182
1933 .....	910	1,072
1934 .....	308	1,191
1935 .....	657	1,856
1936 .....	749	2,044
	<hr/> 5,631	<hr/> 8,276

It will be noted that, as the volume of private building has expanded in recent years, the activities of the corporation in this connection have fallen off. The figure tentatively set by the Bristol Corporation at the present time is approximately 600 new dwellings annually.

#### COST TO THE CITY

The capital expenditure upon housing schemes in Bristol reached a total of nearly £7,000,000 at March 31 last. The present rate for housing purposes is 7d. in the £, equivalent to £87,570.

#### OVERCROWDING

The 1935 Housing Act outlined certain standards of overcrowding which the municipal authorities were urged to adopt in their efforts to ameliorate conditions. A survey was made by the Bristol Housing Committee and a report submitted to the council on July 28, 1936.

This report stated that among the working-class dwellings inspected 1,962 were found to be overcrowded when judged by these standards. Of these 632 were owned by the corporation and 1,330 were privately owned. Taking into consideration the fact that accommodation which is sub-standard for one family may be adequate for a smaller one, the committee considered that 1,350 additional houses would have to be built within the next eighteen months, varying in size from three to eight bedrooms.

#### CARDIFF

In Cardiff the situation is much the same as for the other centres, but due to the smaller population the need for housing has been relatively less. From 1919 to 1930 the total number of houses erected by the corporation was 3,712. Since the latter date the figures, together with those for private enterprise, have been as follows:—

Calendar Years	Corporation	Private Enterprise
1931 .....	220	274
1932 .....	252	440
1933 .....	198	433
1934 .....	334	538
1935 .....	422	685
1936 (May) .....	....	293
(September) .....	275	....
	<hr/> 1,701	<hr/> 2,663

Of the total of 5,413 corporation houses 2,068 are three-bedroom parlour type. The remainder are of the non-parlour type, of which 72 have four bedrooms, 1,518 three bedrooms, and 1,755 two bedrooms each.

There are at the present time in Cardiff 152 houses in course of erection and 292 contracted for.

DUBLIN WATER AND POWER DEVELOPMENT

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, December 5, 1936.—The joint scheme for the extension of the supply of water and power to Dublin and district described in *Commercial Intelligence Journal* No. 1685 (May 16, 1936), and the apportionment of the cost thereof, have now received final legislative sanction in the Liffey Reservoir Act, 1936, issued to-day. This Act incorporates the agreement made between the City of Dublin and the Electricity Supply Board covering the reservoir to be constructed by stages by the board, the intake to be constructed by the corporation, and the hydro-electric works to be constructed by the board, together with details of the water levels to be maintained.

The Act provides also for a further grant from the State to the Electricity Supply Board of £2,734,000 from the Central Fund in the next eighteen months, or a total advance for electricity supply for the Irish Free State of £6,259,000 since 1931. The estimated expenditure by the board for the Liffey Scheme is £634,000, although Dublin Corporation, in consideration of permission to draw 20,000,000 gallons of water daily, will contribute in addition £126,000. For dam construction there is allocated £387,000; for roads, bridges, and acquisition of land, £183,000; and for mechanical electrical works and equipment, £190,000. The Minister of Industry and Commerce also stated, in sponsoring the Act, that two additional steam power units, having a capacity of 40,000 units, would be installed at a cost of £432,000.

The corporation is empowered to borrow money (under the Public Health Acts) for its share of the expenses of the new waterworks, and the Act also grants power for the necessary acquisition of lands, protection of fisheries, compensation for disturbance, exemption from rates, and other necessary purposes.

TRADE OF HONGKONG, JANUARY TO SEPTEMBER

V. E. DUCLOS, CANADIAN TRADE COMMISSIONER

(HK\$1 is taken as equal to 32 Canadian cents)

Hongkong, November 10, 1936.—The total trade of Hongkong for the first three quarters of 1936 amounted to HK\$563,936,000 as against HK\$470,064,000 for the corresponding period of 1935.

Imports were valued at HK\$318,987,000 compared with HK\$270,750,000 for the same period of 1935; exports were valued at HK\$244,969,000 as against HK\$199,304,000.

The values of imports by principal contributing countries for the respective three quarters of 1936 and 1935 are given in the following table:—

Imports into Hongkong by Countries

	Jan.-Sept., 1936	Jan.-Sept., 1935
	Thousands of Hongkong Dollars	
United Kingdom . . . . .	20,873	17,618
Australia . . . . .	6,048	5,906
Burma . . . . .	478	621
Canada . . . . .	2,896	2,904
Ceylon . . . . .	301	132
British East Africa . . . . .	249	182
India . . . . .	3,000	3,599
Malaya . . . . .	4,955	4,779
New Zealand . . . . .	145	105
British North Borneo . . . . .	1,439	1,384
South Africa . . . . .	189	193
Belgium . . . . .	5,351	4,051
North China . . . . .	46,856	46,672

*Imports into Hongkong by Countries—Concluded*

	Jan.-Sept., 1936 Thousands of Hongkong Dollars	Jan.-Sept., 1935
Middle China . . . . .	5,179	4,787
South China . . . . .	52,880	36,853
France . . . . .	1,367	1,490
Indo-China . . . . .	19,004	27,458
Germany . . . . .	19,112	11,734
Holland . . . . .	1,963	2,681
Italy . . . . .	170	1,484
Japan . . . . .	38,382	31,817
Kwongchow . . . . .	4,229	2,688
Macao . . . . .	4,634	4,429
Norway . . . . .	324	646
Netherlands India . . . . .	24,346	15,170
Philippines . . . . .	943	852
Siam . . . . .	23,910	15,478
Sweden . . . . .	2,115	1,577
Switzerland . . . . .	217	131
Spain . . . . .	237	113
United States . . . . .	25,279	21,160

The percentage shares of the import trade of Hongkong credited to each of the chief countries of supply for the January-to-September period of 1936, comparative percentages for the corresponding period of 1935 being given within parentheses, were: China, 32.9 (32.6); Japan, 12 (11.8); Netherlands India, 7.6 (5.6); United Kingdom, 6.6 (6.5); United States, 7.9 (7.8); Indo-China, 6.0 (10.2); Siam, 7.5 (5.7); Germany, 6 (4.3); British Malaya, 1.6 (1.8); India, 1.9 (2.2); Australia, 2.2 (1.9); Belgium, 7.4 (8.7); Canada 0.9 (1).

*Exports from Hongkong by Countries*

	Jan.-Sept., 1936 Thousands of Hongkong Dollars	Jan.-Sept., 1935
United Kingdom . . . . .	8,741	4,558
Australia . . . . .	1,229	998
Burma . . . . .	1,810	1,010
Canada . . . . .	1,410	1,032
India . . . . .	3,561	2,234
Malaya . . . . .	18,044	12,199
British West Indies . . . . .	2,380	989
Belgium . . . . .	1,009	637
North China . . . . .	17,753	14,578
Middle China . . . . .	15,627	13,792
South China . . . . .	71,003	75,496
Central America . . . . .	1,241	778
France . . . . .	2,947	1,162
Indo-China . . . . .	12,422	11,459
Germany . . . . .	2,535	1,367
Japan . . . . .	11,620	7,959
Kwongchow . . . . .	7,308	6,958
Macao . . . . .	9,363	10,152
Netherlands India . . . . .	6,313	3,762
Philippines . . . . .	8,668	2,424
Siam . . . . .	10,702	7,372
South America . . . . .	1,795	435
United States . . . . .	19,479	13,487

The percentage distribution of exports by principal countries for the January-to-September period of 1936, comparative percentages for the corresponding period of 1935 being given within parentheses, were: China, 42.6 (52.1); British Malaya, 7.4 (6.1); Indo-China, 5.1 (5.7); Japan, 4.7 (4.0); Macao, 3.8 (5.1); Siam, 4.4 (3.7); United States, 8 (6.8); Kwongchow 3.0 (3.5); Netherlands India, 2.6 (1.9); Philippines, 3.5 (1.2); India 1.4 (1.1).

## IMPORTS AND EXPORTS BY MAIN GROUPS

Increases in the imports into Hongkong during the first nine months of 1936, as compared with the corresponding period of 1935, occurred in twenty-one of the twenty-three main groups, as follows: live animals, building materials, chemicals and drugs, Chinese medicines, dyeing materials, foodstuffs, fuels, hardware, liquors, machinery and engines, manures, metals, minerals and ores, nuts and seeds, oils and fats, paints, paper and paperware, piece goods, railway materials, tobacco, vehicles, wearing apparel, and sundries.

Increases in exports occurred in eighteen of the twenty-three main groups, as follows: live animals, building materials, chemicals and drugs, Chinese medicines, dyeing materials, foodstuffs, fuels, hardware, liquors, machinery and engines, manures, metals, minerals and ores, nuts and seeds, oils and fats, paints, paper and paperware, piece goods, railway materials, tobacco, vehicles, wearing apparel, and sundries.

## BUSINESS CONDITIONS

The absence of fluctuation in the Hongkong dollar, and the continuance of favourable rates on this unit in terms of the currencies of foreign countries, reacted favourably towards both the import and export trades of the colony during the period under review.

In the case of imports, importers were able to accept indents from their dealers on either a local or foreign currency basis without the risk of loss through movements in exchange. Thus the trade is now on a sounder footing than it has been for some time past.

Exports have also benefited, increased orders having been received from consuming countries. Factories have been working full time and the employment situation shows considerable improvement.

The principal event during the period under review, and one which should have an important bearing on future trade in the Hongkong and South China territory, was the extinction of the "South-West Political Party" during August, and the consolidation of the southern provinces under the direct control of the Central Government at Nanking. As a result of this unification, a process of reorganization is now under way in the Province of Kwangtung involving the stabilization of currency, regulation of import taxes, the abolition of gambling, and other social and economic measures.

## TRADE WITH CANADA

Imports from Canada into Hongkong during the first three quarters of 1936 amounted to U.S. \$1,216,320 as against U.S. \$1,452,207 for the corresponding period of 1935.

The principal imports from the Dominion, together with values in United States dollars, for the period under review were:—

Wheat flour, \$352,925; manures, \$156,966; motor cars, \$79,410; printing papers, \$66,903; condensed milk, \$24,657; pig lead, \$21,048; softwoods, \$20,869; fish and fishery products, \$18,033; motor lorries chassis, \$13,800; fodder, \$13,212; electrical machinery, \$12,139; American pine, \$8,158; timber n.o.p., \$7,975; zinc spelter, \$6,829; vermicelli, \$4,200; upper leather, \$3,887; meat and fish (tinned and potted), \$3,180; vegetables (tinned and bottled), \$3,028; spirits, \$2,960; fresh fish, \$2,896; miscellaneous foodstuffs, \$2,446; motor lorries, \$2,437; barrel staves, \$2,299; sole leather, \$1,950; motor accessories, \$1,939; toys and games, \$1,389; fruits, tinned and bottled, \$1,353; paints, \$1,324; grains, \$1,310; agar agar, \$1,255; cheese, \$1,081; nickel \$1,058.

## INQUIRY FOR PRESERVED FRUITS IN WATER FOR KOWLOON

Mr. V. E. Duclos, Canadian Trade Commissioner in Hongkong, writes under date November 20, 1936, that an inquiry for fruits preserved in water has been received from H.M. Naval Victualling Yard, Kowloon. All fruits are of interest, the following being specifically mentioned: strawberries, cherries, loganberries, raspberries, plums (including damsons), gooseberries, blackberries, and apples (gallon). Rhubarb is also in demand. Water packing in 2½'s and 10's, tall is required.

It is the practice of the Naval Victualling Yard to buy through local stockists, under semi-firm contract. Canadian packers interested in this outlet, therefore, should in the first instance write to the Superintendent, Naval Victualling Yard, supplying details of the several fruits available, at the same time furnishing this office with copy of their communication in order that arrangements for the local stocking of the requisite goods can be completed.

## MILK PRODUCTION MARKET CONDITIONS IN THE UNITED STATES

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

New York, December 11, 1936.—The severe drought which occurred in the United States from June until late in August greatly reduced milk supplies, with the result that the production of such milk products as cheese, butter, cream, and evaporated milk was well below production for the same period in 1935. Prices rose to a point where imports became feasible. The situation proved to be a temporary one, however, as excellent weather conditions for pasturage developed in the early autumn months, resulting in an unusually heavy milk flow. Domestic stocks of milk products were rapidly increased, production reached record seasonal levels, and prices receded from their summer peaks. Since then milk product prices have remained steady at a position somewhat higher than last year, but not sufficiently high to encourage interest in Canadian sources of supply.

### BUTTER PRODUCTION

While butter is not extensively imported from Canada, domestic butter production exercises an important influence on prices of other milk products of more direct interest to Canadian shippers.

The total production of creamery butter for the ten months ending October of this year were estimated at 1,387,567,600 pounds compared with 1,430,771,000 pounds for the same period last year, a decrease of 3.02 per cent. The main point of market influence, however, was the high production during the autumn months; in October the record output of 135,140,000 pounds was reached. This amount was 2.4 per cent higher than September and 12.8 per cent over the production of October, 1935. Under date of November 1 it was indicated by the United States Department of Agriculture that 105,319,000 pounds of creamery butter was in storage compared to 120,210,000 pounds at the same date last year. While admittedly the stocks on hand appear to be somewhat lighter than last year, nevertheless the high production of the autumn months and the rather slow movement of supplies into consumption have caused prices to remain steady in recent months at an average of 33.5 cents per pound wholesale New York for 92 score creamery butter.

### CHEESE PRODUCTION

In spite of low summer production, the heavy autumn increase in cheese production caused the total output of American cheese for the first ten months

of 1936 to register at 431,255,000 pounds, or 4.4 per cent higher than the same period of last year. On the other hand, the production of New York State cheese, which amounted to 18,054,600 pounds for the first ten months of 1936, was about 6.88 per cent below the same period in 1935. Under date of November 1 storage holdings of American cheese were listed at 102,869,000 pounds compared to 100,670,000 pounds at the same date last year.

Peak prices for American cheese were reached in the summer months, when in August prices were about 2 cents higher than the autumn quotations. In October the average price for New York State specials was about 19½ cents and Wisconsin fresh daisies about 18.7 cents on the New York wholesale market.

#### IMPORTS

Contracts for Canadian cheese were extensively entered into by United States importers during the drought periods when there appeared little likelihood of a heavy home production. As a result, a rather heavy movement of Canadian cheese to United States grinding factories took place in the summer and early autumn months. According to United States statistics, imports for the first eight months of 1936 amounted to 7,979,000 pounds compared to 569,000 pounds for the same period in 1935. It was reported by United States purchasers that Canadian cheese had been secured at about 14¾ cents to 15 cents f.o.b. Montreal.

Canadian cheddar cheese, because of its large size and low moisture content, finds its best United States market among various types of cheese-manufacturing plants. It acts as a supplement to any low-moisture cheese which can be obtained from Wisconsin or New York State.

In previous reports it has been recommended that Canadian shippers should consider the possibility of producing a high-moisture cheddar cheese of about 30 pounds, comparable to New York State cheese. Such a cheese would enable Canadian shippers to enter the general retail markets from which they are at present excluded. It is appreciated that manufacturers are not likely to make such a change without some assurance of a market for their products. Under the circumstances, their attention is drawn to the conclusion of this report, which provides some encouragement to the belief that market conditions in the United States during the next three years may yield the required opportunity and assurance.

#### CREAM PRODUCTION

Following the same price trend as the other milk products, cream rose to its highest price position in August when Western unapproved cream was being quoted in New York upstate points at \$18.22 to \$18.75 per 100 gallon can. In the autumn months prices receded sharply, so that from September up to the date of this report the same type of 40 per cent cream has been quoted at from \$14 to \$14.50.

#### IMPORTS

Imports of cream from Canada during the first nine months of 1936 amounted to 15,338 gallons, or slightly more than 1 per cent of the low-duty quota allowed for Canadian cream for the entire year. It is presumed that these imports moved from points near the Canadian border in Ontario and Quebec into New York State and into Boston, the only large urban centre where sanitary regulations are not as restrictive as in other parts of the Eastern United States.

#### SKIM MILK POWDER AND EVAPORATED MILK PRODUCTION

While skim milk powder and evaporated milk have not the same potential interest to Canadian shippers as other milk products, the production of both showed a heavy increase in October. Under date of November 1 total stocks or dry skim milk, reported by manufacturers, were estimated to be 25,883,062

pounds compared to 18,029,763 pounds for the same period in 1935. Evaporated milk stocks were given as being 251,751,000 pounds on November 1 compared to 229,065,000 pounds for November 1, 1935. This particular item showed a marked reversal position in the autumn months compared to the summer period, production increasing some 56.6 per cent during the month of October.

Prices for skim milk powder during the recent months have averaged about 9.05 cents or more per pound on the New York wholesale market. Wholesale prices for evaporated milk have continued at a relatively steady level, being quoted on the New York market at about \$3.20 per case in recent months.

#### IMPORTS AND DUTY

Skim milk powder is subject to a duty of 3 cents per pound, and unsweetened evaporated milk to a duty of 1.8 cent per pound. Neither of these products were included in the tariff reduction embodied in the recent United States-Canada Trade Agreement. Detailed figures as to imports of these products into the United States during 1936 are not published, but it is known that in 1935 imports of skim milk powder amounted to 157,310 pounds valued at \$9,569 and unsweetened evaporated milk 36,811 pounds valued at \$3,606.

#### CONCLUSION

According to the United States Department of Agriculture, dairy herds, which now total about 25,200,000 milk cows, a figure slightly lower than in 1932, are not likely to be increased with any rapidity. This conclusion is drawn from the present high price of feedstuffs and the advantageous prices quoted for beef cattle compared to dairy products. It is expected that feedstuffs, even at more normal prices, may be devoted for some time to come to the production of beef cattle at the expense of dairy cows. The physical sources of supply of butterfats are thus likely to be limited until about 1939 to 1940.

Opposed to this static position of butterfat production is every indication that the consumption of butterfat is rapidly increasing. Adverse trade conditions which caused a marked decrease in milk product consumption during the depression years have given way to increasing prosperity, and this in conjunction with increasing population is exerting a steady influence towards increased consumption.

The per capita consumption of cheese has advanced continuously during recent years, until in 1935 it was estimated at 5.05 pounds compared to 4.64 pounds in 1929. Cream and milk consumption in urban centres likewise has increased. During the first seven months of 1936 it was about 3.3 per cent higher than in 1935 in a number of the major eastern cities, and 1935 was in turn about 3 per cent higher than in 1934.

### FINANCE AND TRADE IN HONDURAS

S. G. MACDONALD, ACTING TRADE COMMISSIONER

(One lempira equals 50 cents United States currency)

Mexico City, December 4, 1936.—The report of the Minister of Finance for the Republic of Honduras has just recently been published for the fiscal year ending July 31, 1935. Although the material is considerably out of date, it contains the latest printed statistical information available and indicates rather clearly the financial and trade trends in Honduras.

#### GOVERNMENT INCOME AND EXPENDITURE

The general economic depression, aggravated by local and regional conditions, had of necessity an effect upon the national revenue. Nevertheless every

effort was made by the Government to maintain budgetary equilibrium. Although a deficit resulted, it was 31 per cent less than during the previous financial year. Under the initiative of the President of the Republic a large program of public works was carried out. The budget for the fiscal year ended July 31, 1935, amounted to l. 10,282,963, which, by supplementary estimate, was later raised to l. 11,820,046. Expenditures totalled l. 12,454,059, making for a deficit of l. 1,219,966 as compared with l. 1,934,629 during the previous year. An increase in the national revenue of l. 664,455 is indicated for 1934-35. Government expenditures, which totalled l. 12,454,059 for 1934-35, were slightly reduced as compared with the previous year, when they amounted to l. 12,735,982.

### PUBLIC DEBT

On August 1, 1934, the internal debt stood at l. 21,042,703 and the foreign debt at l. 7,618,718—a total of l. 28,661,421. On July 31, 1935, the internal debt amounted to l. 20,771,299 and the foreign debt to l. 7,005,371, making a total of l. 27,776,670. The total debt reduction during the year of l. 884,751 was attributed to a reduction of l. 271,403 in the internal debt and l. 613,347 in the external debt. Payment of interest and amortization on the internal debt was suspended in 1932 but on August 1, 1934, a resumption of interest payments took place, although no arrears were paid.

### IMPORTS

The total value of imports for the fiscal year ending July 31, 1935, totalled U.S.\$9,585,720 as compared with \$8,382,084 and \$6,287,563 in the two previous years.

Imports and percentages of the whole from the ten principal countries of origin and Canada, which stood fifteenth, were:—

	1934-35	1933-34	Per Cent
United States.. . . .	U.S.\$6,189,064	U.S.\$5,881,999	64.57
Japan .. . . .	1,014,255	267,837	10.59
United Kingdom .. . . .	605,459	450,114	6.31
Curacao .. . . .	530,054	754,450	5.53
Germany .. . . .	325,068	276,022	3.39
France .. . . .	144,772	114,869	1.51
Nicaragua .. . . .	137,471	85,527	1.43
El Salvador .. . . .	102,456	58,817	1.07
Italy .. . . .	88,902	105,796	0.93
Netherlands .. . . .	80,523	96,457	0.84
Canada .. . . .	26,004	534	0.27

The majority of the imports entered Honduras from the Atlantic side, as indicated by the following percentages: Puerto Cortes, 34; La Ceiba, 13; Tela, 9; Puerto Castilla, 10. The balance (34 per cent) excepting 2 per cent was imported via Amapala on the Pacific Coast.

### EXPORTS

Exports during the fiscal year 1934-35 decreased from l. 24,799,258 in the previous year to l. 21,016,696. From 1923 to 1930 there was a marked increase yearly in exports, but since that latter date the annual total has diminished steadily, particularly during the past three years, with an average decrease of about l. 3,000,000 yearly. This fall in exports is directly attributable to the lessened banana production since 1931, and, as the prosperity of Honduras is greatly dependent upon the banana, unless alternative agricultural industries are found to replace it, the economic condition of the country may be gravely prejudiced.

Exports to principal countries according to value and percentages of the whole were as follows:—

	1934-35	1933-34	Per Cent
United States . . . . .	L.17,416,067	L.17,781,246	82.8
Netherlands . . . . .	1,823,931	1,599,783	8.1
El Salvador . . . . .	704,516	542,587	3.3
Germany . . . . .	458,997	2,577,449	2.1
United Kingdom . . . . .	253,087	1,887,718	1.2
France . . . . .	235,503	286,183	1.1

The principal exports of Honduras by quantities and values were as follows:—

	Quantity	Value in Lempiras
Bananas . . . . . stems	15,827,561	15,818,414
Silver . . . . . lbs.	207,025	2,900,522
Gold . . . . . lbs.	1,048	860,678
Leaf tobacco . . . . . lbs.	2,471,550	380,018
Coffee . . . . . lbs.	2,384,948	330,132
Livestock . . . . . head	11,392	179,371
Cocanuts . . . . . each	6,321,619	146,126

In conformity with the practice established several years ago, the Minister of Finance in his report indicates the percentages of imports and exports with each country with a view to showing the trade balances. Thus exports to the United States are 58.45 per cent, and imports 41.55 per cent of the total trade between the two countries. The United Kingdom is credited with 17.69 per cent exports and 82.31 per cent imports, a favourable balance to the United Kingdom and a complete reversal of the position in the preceding year, when exports from Honduras were 68.38 per cent and imports 31.62 per cent. Japan is given a 100-per-cent unfavourable balance as imports from that country reached the comparatively high figure of \$1,014,255 without any purchases from Honduras. The Honduran statistics also place Canada in the same position, as imports are shown at \$26,004, with no exports.

The favourable trade balance of the Republic of Honduras with all countries has been steadily reduced in recent years, and amounted to l. 1,845,257 as compared with l. 8,035,089 in the year 1933-34, which itself was the lowest figure since 1926-27.

#### TRADE WITH CANADA

The routing of shipments through the United States undoubtedly makes for a large discrepancy between the Honduran figures and those issued by the Dominion Bureau of Statistics. As already indicated, the former amounted to but \$26,004 in fiscal year ended July 31, 1935, as compared with \$534 in the previous year.

According to the condensed preliminary report of the trade of Canada for the fiscal year ending March 31, 1936, exports to Honduras were valued at \$130,590 compared with \$105,641 in the previous fiscal year. The following were the principal products (1935 figures within parentheses): soda and compounds, \$58,306 (\$41,441); cyanamid, \$25,749 (\$17,105); pneumatic casings, \$22,608 (\$9,895); flour of wheat, \$12,868 (\$26,091); cotton manufactures, \$3,666 (\$1,737); inner tubes, \$2,185 (\$2,180); and paper and manufactures of, \$1,081 (\$1,206).

Canada, owing to transshipments in the United States, is not listed among countries importing from Honduras. According to the figures of the Dominion Bureau of Statistics for the fiscal year ending March 31, 1936, the total imports from Honduras amounted to \$96,056, of which grapefruit accounted for \$80,776 and oranges for \$14,748. The comparative total of imports in the previous fiscal year was \$53,711.

## EXCHANGE CONTROL

Exchange control was inaugurated in Honduras on June 1, 1934 (see *Commercial Intelligence Journal* No. 1589, July 14, 1934; and No. 1692, July 4, 1936). Under the regulations put into effect the lempira was established at a rate of 50 cents United States currency. Owing to the still favourable trade balance during 1934-35, no necessity arose for the varying of the rate just previously established. Thus the United States dollar, which is the principal medium of exchange, remained fixed at 2 lempiras for buying and for selling, 2.025 lempiras on the north coast of the republic and 2.04 in the rest of the country. For transactions effected by cable, an additional charge of 1 per cent is made, and in respect of currencies other than the United States dollar an additional 1 per cent above the New York rate for that foreign currency is charged.

Owing to the shortage of currency in circulation during the year, it was necessary to authorize the two fruit companies (the United Fruit Company and the Standard Fruit and Steamship Company) to import \$535,000 in United States notes in order to meet local expenditures.

The total foreign exchange offered to the Exchange Control Commission during 1934-35 amounted to \$8,265,417, and consumption to \$7,004,312. The fund of the commission at the end of the fiscal year 1934-35 amounted to \$1,003,663, an increase of \$157,574 as compared with the previous year. Profits accruing to the commission are set aside for the foundation of an Agricultural Mortgage Bank.

## PIANO MARKET CONDITIONS IN JAPAN

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, December 1, 1936.—The present and potential markets in Japan for foreign-made pianos have been investigated at the instance of two Canadian piano manufacturers, and as the information obtained may be of interest to the piano manufacturing industry in general in Canada, it is briefly summarized in the following paragraphs.

A recent report issued by a musical society gives the total number of pianos in use in Japan as 50,000, of which number 20,000 are in Tokyo, Osaka, and Kobe, 5,000 in Nagoya, 1,500 in Yokohama, and 3,000 in Kyoto, Hiroshima, and Korea. It is quite safe to say that about 85 per cent of the total are in use in educational institutes, of which there are 46,134. The remainder are owned by piano teachers and private individuals. From this it will be seen that the number of privately owned pianos is not large.

There are twenty piano manufacturing concerns in Japan, with an annual output of 7,000 instruments. About 85 per cent of the total production originates in Hamamatsu City, the centre of the musical instrument industry. This city is located about the centre of Japan, and so it is equally convenient for shipping to Tokyo in one direction or Osaka in the other; both distributing points for the smaller consuming centres. The Japan Musical Instrument Manufacturing Company is the largest manufacturer of all types of musical instruments, and probably controls 60 per cent of the total output of pianos. About 13 per cent of it is produced in the Tokyo-Yokohama district. A few of the larger manufacturers have their own retail stores in Tokyo and Osaka, but the majority of the smaller producers are tied up with local dealers in the various larger cities. Some of these dealers advance funds to the smaller producers either in the form of cash or by purchasing actions and other materials required in the process of manufacture.

## PRICES

Retail prices for domestic-made upright pianos range from 380 yen to 1,200 yen for either 7, 7 $\frac{1}{4}$ , or 7 $\frac{1}{2}$  octaves, and those for grand pianos from 950

yen to 7,500 yen. The types mostly in demand are being offered at between 500 yen and 2,000 yen. The cases for these instruments are constructed almost entirely of domestic wood, and in some instances complete German actions are supplied at very low prices. The Japan Musical Instrument Manufacturing Company under the supervision of German experts turns out pianos with the component parts, with the exception of the wires, all of Japanese manufacture.

### IMPORTS

Imports of pianos into Japan are not classified individually in the foreign trade returns, but are included under the general heading of "musical instruments, parts and accessories." From information furnished by the Canadian Trade Commissioner, Kobe, the number of foreign-made pianos imported from abroad amounted to 40 during 1935. Doubtless most of these instruments were brought back to Japan by students who had completed their musical studies in Germany or France. Imports shown in the official returns amounted in value to 197,000 yen during 1935. The principal source of supply was Germany with 75 per cent of the total imports, followed by the United States with 25,883 yen, followed by Great Britain, Italy, Czechoslovakia, Spain, and Switzerland. The foreign actions mostly in use are the German "Fleming," "Langer," and "Renner." Somewhat similar types have been developed in Japan.

The import duties on grand pianos including receptacles are at the rate of 117.04 yen per 132 pounds, and on other types at 82.21 yen per 132 pounds.

### PRICES

In some stores an odd German upright "Schwechten" retailing at 2,900 yen, and "Steinway" costing 3,300 yen for the upright and from 5,075 yen to 7,680 yen for the grand model, are on display. French "Erard" and "Pleyel" retailing at anywhere from 2,950 yen to 7,800 yen are being offered, as are "Mason and Hamlin" pianos, which cost according to type from 5,500 yen to 13,000 yen. Dealers are finding it difficult to move their stocks of foreign instruments as the demand is limited, and Japanese pianos are improving to such an extent that serious competition is offered to foreign-made instruments in the higher-priced fields as they are able to undercut the cheapest foreign model by 1,000 yen. A very presentable Japanese-made piano may be purchased for 380 yen, and this is more in line with the price that the average purchaser is in a position to pay. In addition to low initial costs, time payments are accepted and free service offered.

The Japanese are rapidly becoming more musical and are taking a greater interest in foreign music, but the demand for instruments will be taken care of by domestic manufactures except for the few wealthy students returning from abroad who bring back their own pianos with them.

(NOTE.—Illustrations of pianos being manufactured and sold in Japan are on file at the Department of Trade and Commerce, Ottawa, and may be obtained on application by referring to file No. 27662).

## CAMPHOR INDUSTRY IN JAPAN

P. V. McLANE, ACTING TRADE COMMISSIONER

(For the purposes of comparison the average rate of the yen in 1934 was 29.575 cents; in 1935, 29 cents Canadian funds.)

Kobe, November 13, 1936.—Camphor is produced in both Japan and Formosa, and since 1903 output has been effectively controlled by a state monopoly which has branches in the various producing districts to receive the crude camphor from authorized factories and at a predetermined scale of prices. The crude camphor may go directly to the industry—principally the celluloid

industry—or it may be refined. This process is a monopoly of the Japan Camphor Company Limited.

The Monopoly Bureau determines each year's output and has control of factories. Production figures are conflicting, and while those for Japan proper are available, it has been impossible to secure authentic data on the Formosan output. In any case, with production set to estimated demand, the maintenance of price is of paramount interest, although an excessive price is impossible to secure because of competition in world markets from German synthetic camphor produced from turpentine. At present the bulk of the camphor produced by the monopoly is used at home in the proportion of roughly 70 per cent for the production of celluloid and 30 per cent in the manufacture of perfume and medicines.

### EXPORTS

The export market has been slowly expanding—an expansion which continued during 1935, as is evidenced by the table given below showing the value, quantity, and the principal purchasers for the years 1934 and 1935:—

	1935		1934	
	Quantity 100 Lbs.	Value Yen	Quantity 100 Lbs.	Value Yen
Asiatic Russia . . . . .	1,476	203,363	.....	.....
Straits Settlements . . . . .	13,680	1,632,058	12,132	1,228,204
Great Britain . . . . .	1,275	184,677	1,289	181,327
France . . . . .	2,761	405,174	2,792	406,709
Italy . . . . .	738	105,433	1,234	178,208
United States . . . . .	10,821	1,551,603	13,043	1,716,072
Australia . . . . .	890	133,636	783	111,905
Other . . . . .	5,761	823,421	5,639	780,799
Total . . . . .	37,402	5,039,365	36,912	4,603,224

British India and the United States were the most important buyers in 1935. Canada is not shown in the above table, but in the complete returns, direct exports are given at 12,274 yen.

In addition to control of refining operation, the Japan Camphor Company Limited controls sales and exports either directly or through three agents, namely, Mitsui Bussan Kaisha, T. Fujisawa & Co. Ltd., and Takeda Gomei Kaisha. Outsiders may buy from these four firms, but only at prices fixed by the Japan Camphor Company Limited. This company is empowered to change prices from time to time, depending on the demand and supply and other market conditions. Under such control trading is done on a very narrow margin of profit both to the accredited agents and to outside exporters.

### PRICES

Current prices have been secured and are appended in the interests of possible Canadian importers of Japanese refined camphor:—

Sixteen 1-ounce tablets of camphor, 16 pieces to the tin, and 100 tins to the case, making a net weight of 100 pounds and a gross weight of 146 pounds, are quoted at 163 yen f.o.b. Japan.

Tablets  $\frac{1}{2}$ -ounce,  $\frac{1}{4}$ -ounce, and  $\frac{1}{8}$ -ounce, averaging 100 pounds to the case, are quoted at the same price f.o.b. Japan.

Tablets  $\frac{1}{100}$  of an ounce, 640 pieces to the tin, 240 tins to the case, are quoted at 173 yen f.o.b. Japan.

Two and a half pounds slabs, 100 pounds net to a case, are quoted at 146 yen, whereas powdered camphor 100 pounds net to the case, are offered at 143 yen f.o.b. Japan.

The Kobe Office is in a position to secure a connection with a reliable supplier for any Canadian firm wishing a direct contact for the purchase of Japanese camphor.

## MR. JOHNSON'S TOUR OF CANADA

Mr. G. B. Johnson, Canadian Trade Commissioner in Glasgow, Scotland, is at present on tour in Canada in the interest of Canadian trade.

The concluding part of his itinerary is as follows:—

Saint John. . . . . Dec. 28 to 29

Halifax . . . . . Dec. 30 to Jan. 2

Firms who wish to be brought in touch with Mr. Johnson should communicate with the Board of Trade or Chamber of Commerce in the above cities.

## EXCHANGE CONTROL IN NICARAGUA

W. J. RIDDIFORE, CANADIAN TRADE COMMISSIONER

Panama City, December 15, 1936.—The regulations of the Exchange Control Commission of Nicaragua were modified by Decree No. 15 as published in the *Gazeta Oficial* of October 16, 1936. For some time it has been apparent that the unsatisfactory foreign exchange situation in Nicaragua has been intensified rather than alleviated under the former regulations of the Exchange Control Commission and the necessity of relaxing those regulations became increasingly evident during recent months.

### RELAXATION OF EXCHANGE CONTROL

Decree No. 15 provides that 70 per cent of the foreign exchange proceeds derived from exports of Nicaraguan products may be negotiated freely by merchants. Whereas formerly Nicaraguan exporters were required to surrender such foreign exchange at an official rate, they may now sell it on the open market to importers requiring coverage. This new provision is expected to ease the foreign exchange situation and should prove helpful not only to the exporter, who will receive considerably more in cordobas for his shipments, but also to the importer, who now has an open and fairly substantial market in which he may freely purchase his foreign exchange requirements. Based upon 1935 trade statistics, the amount of foreign exchange made available on the open market to the importers by this new regulation should be in the neighbourhood of 4,000,000 cordobas annually or approximately 330,000 per month. At present there is little "free" exchange being offered, but from December onward the supply should increase.

### LIQUIDATION OF FROZEN CREDITS

Decree No. 15 also provides that the remaining 30 per cent of the foreign exchange proceeds derived from the exportation of Nicaraguan products shall be surrendered by exporters to the Banco Nacional de Nicaragua at an official rate of exchange of 1·10 cordobas equals U.S. \$1. The cheap foreign exchange obtained in this manner will be utilized by the Government for such official purposes as the servicing of Nicaraguan foreign indebtedness and the gradual liquidation of past due foreign collections. It is believed that more than \$2,500,000 United States funds owing to merchants abroad in payment for merchandise already imported are lying on deposit in Nicaraguan banks awaiting the allotment of foreign exchange to make remittance abroad possible. It is hoped under the new regulations that the liquidation of these outstanding foreign collections will be completed within the next four years, and to this end a certain share of customs revenues also will be appropriated.

### PRIOR AUTHORIZATION OF ORDERS NO LONGER REQUIRED

Whereas formerly Canadian exporters were required to present an authorized order form to a consul of Nicaragua for the purpose of obtaining the necessary consular visa on documents covering shipments to Nicaragua, under the new regulations only a certificate of origin will be required. Authorized order forms are still required, however, in cases of orders for German goods or the products of countries which trade with Nicaragua on a "compensation" basis.

### CAUTION STILL NECESSARY

With the exception of the foregoing modifications, the exchange control regulations of Nicaragua remain unchanged as reported in *Commercial Intelligence Journal* No. 1696 (August 1, 1936).

Although exchange control in Nicaragua has been relaxed, possibly it would be advisable for Canadian exporters to continue their insistence upon cash with orders until such time as the effects of the provisions of Decree No. 15 are apparent. This precaution seems necessary since a Nicaraguan importer who has purchased foreign exchange is still subject to the Exchange Control Board's decision as to actual remittance abroad and the class or kind of imported articles for which such exchange may be used in payment.

## TARIFF CHANGES AND CUSTOMS REGULATIONS

### United Kingdom Tariff Revision Proposals

The Import Duties Advisory Committee of the United Kingdom give notice of applications for the addition to the Free List of used railway rails and for an increase in the import duty on glace kid leather, being chrome tanned goat-skin of smooth, polished finish.

(Rails and leather which are Canadian products within the meaning of the Imperial preference regulations are duty free under the terms of the Canada-United Kingdom Trade Agreement of 1932).

### United Kingdom Imposes Duty on Non-Empire Beef

A despatch of December 16 from the Secretary of State for Dominion Affairs, London, to the Canadian Department of External Affairs, announces that a Resolution passed by the House of Commons on December 15 provides for the imposition in the United Kingdom on and after December 16 of the following Customs duties on imported foreign beef and veal: chilled,  $\frac{3}{4}$  penny per pound; frozen or salted,  $\frac{2}{3}$  penny per pound; and comparable ad valorem duties on other classes. It is proposed that the Resolution should be confirmed by a Bill to be introduced immediately after the Christmas recess.

Prior to December 16 beef and veal (but not including extracts and essences of meat or meat preserved in any airtight container) were admissible duty free from all countries except the Irish Free State.

In order that Canadian beef and veal may continue to enter free of duty, a certificate of origin should accompany each shipment. The certificate for goods which the British Customs regard as "growth or produce," in contrast with goods which are manufactured articles, is known as form No. 119 (Sale). These forms are obtainable at several addresses in Canada, particulars of which may be had on application to the Department of Trade and Commerce, Ottawa.

### **Irish Free State Bounty on Live Turkeys**

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises under date December 8, 1936, that the Department of Agriculture has announced an alternative in the rate of bounty payable, as from December 7, 1936, on live turkeys exported to Great Britain and Northern Ireland. The former bounty was equivalent to the amount of the British Customs duty (at present 40 per cent), whereas the new rate is that amount, or 3d. per pound, whichever is the less.

This move is in keeping with the apparent desire of the Government to revise bounties downwards wherever practicable. There is a reported shortage of turkeys in the Irish Free State this season, although the quality is of a high standard, so the home Christmas market should be better than normal as far as producers are concerned.

### **Abolition of Swiss Import Restrictions on Building Boards**

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, writing under date December 3, 1936, states that by virtue of a federal decree of November 27, 1936, effective December 1, 1936, the restrictions on the importation into Switzerland of wood fibre building boards, to which reference was made in *Commercial Intelligence Journal* No. 1576 (April 14, 1934), page 599, have been abolished.

### **El Salvador Reduces Duty on Wheat**

Mr. S. G. MacDonald, Acting Trade Commissioner in Mexico City, reports that a Salvadorean decree of December 9, 1936, effective January 1, 1937, reduces the duty on wheat imported into El Salvador, from any point of origin, from \$8.80 to \$5 per 100 kilograms. The decree provides that the duty will be increased on January 1, 1938, to \$5.20 per 100 kilograms. Under present tariff conditions imports from Canada are subject in El Salvador to a surcharge of 15 per cent above the basic rates. Under the foregoing decree, however, wheat from Canada will not be subject to the surcharge and will enter El Salvador at the same rate as wheat from all other countries.

### **BRITISH TRADE COMMISSIONERS IN CANADA**

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 901-902 Bank of Hamilton Building, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Western Canada), 850 West Hastings Street, Vancouver. Telegraphic address: "Vancom."

The Officer-in-Charge (for Manitoba and Saskatchewan), British Trade Commissioner's Office, 703 Royal Bank Building, Winnipeg. Telegraphic address: "Wincom."

## FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DECEMBER 21

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 21, and for the week ending Tuesday, December 15, 1936, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending December 15	Nominal Quotations in Montreal Week ending December 21	Official Bank Rate
Austria . . . . .	Schilling	.1407	\$ .1867	\$ .1867	3½
Belgium . . . . .	Belga	.1001	.1689	.1689	2
Bulgaria . . . . .	Lev	.0072	.0129	.0129	6
Czechoslovakia . . . . .	Krone	.0296	.0353	.0351	3
Denmark . . . . .	Krone	.2680	.2187	.2188	4
Finland . . . . .	Markka	.0252	.0216	.0216	4
France . . . . .	Franc	.0392	.0466	.0466	2
Germany . . . . .	Reichsmark	.2382	.4018	.4018	4
Great Britain . . . . .	Pound	4.8666	4.8987	4.9025	2
Greece . . . . .	Drachma	.0130	.0090	.0090	7
Holland . . . . .	Guilder	.4020	.5438	.5468	2
*Hungary . . . . .	Pengo	.1749	.2951	.2951	4
Italy . . . . .	Lira	.0526	.0525	.0526	4½
Jugo-Slavia . . . . .	Dinar	.0176	.0230	.0230	1½
Norway . . . . .	Krone	.2680	.2462	.2463	4
Poland . . . . .	Zloty	.1122	.1882	.1883	5
Portugal . . . . .	Escudo	.0442	.0444	.0444	4½
Roumania . . . . .	Leu	.0060	.0073	.0073	4½
Spain . . . . .	Peseta	.1930	.5555	.5555	5
Sweden . . . . .	Krona	.2680	.2526	.2527	2½
Switzerland . . . . .	Franc	.1930	.2296	.2296	1½
United States . . . . .	Dollar	1.0000	.9987	.9987	1½
Mexico . . . . .	Peso	.4985	.2772	.2772	4-5
Cuba . . . . .	Peso	1.0000	.9980	.9980	—
Guadeloupe . . . . .	Franc	.0392	.0466	.0466	—
Jamaica . . . . .	Pound	4.8666	4.9087	4.9126	—
Martinique . . . . .	Franc	.0392	.0466	.0466	—
Other British West Indies	Dollar	1.0138	1.0206	1.0214	—
Argentina . . . . .	Peso (Paper)	.4245	.3266	.3269	3½
		Unofficial	.3036	.3046	—
Brazil . . . . .	Milreis (Paper)	.1196	.0870	.0870	—
		Unofficial	.0596	.0596	—
British Guiana . . . . .	Dollar	1.0138	1.0206	1.0214	—
Chile . . . . .	Peso	.1217	.0516	.0516	4½
		Unofficial	.0416	.0416	—
Colombia . . . . .	Peso	.9733	.5732	.5732	4
Peru . . . . .	Sol	.2800	.2497	.2497	6
Venezuela . . . . .	Bolivar	.1930	.2497	.2497	—
Uruguay . . . . .	Peso	1.0342	.7990	.7990	—
South Africa . . . . .	Pound	4.8666	4.8925	4.8962	3½
Egypt . . . . .	Pound (100 Piastres)	4.9431	5.0237	5.0237	—
China (Shanghai) . . . . .	Dollar	.....	.2934	.2938	—
Hongkong . . . . .	Dollar	.....	.3042	.3044	—
India . . . . .	Rupee	.3650	.3703	.3706	3
Japan . . . . .	Yen	.4985	.2847	.2854	3.29
Java . . . . .	Guilder	.4020	.5453	.5483	—
Siam . . . . .	Baht (Tical)	.4424	.4487	.4486	—
Straits Settlements . . . . .	Dollar	.5678	.5748	.5752	—
Australia . . . . .	Pound	4.8666	3.9190	3.9225	—
New Zealand . . . . .	Pound	4.8666	3.9500	3.9537	2½
		* Unofficial:	.1976	.1977	—

The Dominion Bureau of Statistics has supplied the following note:—

During the third week of December foreign exchanges remained quiet. Devalued European units were firm, and the resumption of trading in forward francs found the market strong. Rising gold stocks of the Bank of Netherlands coincidental with strength in the florin presumably reflected repatriations of capital. It has recently been intimated that the United States Treasury in future will "sterilize" gold imports by borrowing funds from the market through the sale of treasury bills to pay for the incoming gold.

## TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

### Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Kitchener, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

### Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

### Secretary, Canadian Manufacturers Association—

Toronto, Ont.

Montreal, P.Q.

Edmonton, Alta.

Winnipeg, Man.

Vancouver, B.C.

Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

**Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.**

Commodity	No.	Location of Inquirer	Purchase or Agency
<b>Foodstuffs—</b>			
Bulk Cocoa (ground).....	782	New York, U.S.A.....	Purchase and Agency.
<b>Miscellaneous—</b>			
Newsprint Paper in Reels.....	783	Hongkong.....	Purchase.
Textiles (Drills, Worsted Wool- lens, Cotton Piecegoods, etc.)	784	Singapore, Straits Settle- ments.	Purchase and Agency.
Upper Leathers (Willow and Box Calf).	785	Leicester, England.....	Agency.
Slats and Rails for Venetian Blinds (Cut ready for finishing)	786	Jersey City, U.S.A.....	Purchase.
Metal and Mechanical Toys.....	787	New York, U.S.A.....	Agency.
Portable Motor Saw.....	788	Kuala Lumpur, Federated Malay States.	Purchase and Agency.
Stump-pulling Equipment.....	789	Singapore, Straits Settle- ments.	Purchase.

### CERTIFICATES OF ORIGIN FOR BRITISH PREFERENCES

Canadian exporters are reminded of the importance of supplying correct certificates of origin for goods entitled to preferential tariff treatment in Empire countries. The regulations to be observed vary enough to preclude use of uniform documentation for the different British markets. As regards the principal market, the United Kingdom, goods regarded as growth or produce require 100 per cent Empire content; optical goods and parts require 75 per cent; a selected list of manufactured goods (see F.T.D. Leaflet No. 95) require 50 per cent; for other manufactured goods 25 per cent Empire content suffices. A small number of ingredients must qualify independently for preference. Each "article" is subject to the preference test separately, so that when machinery, etc., is shipped to the United Kingdom knocked-down each separate assembly or part must qualify in itself to be entitled to preference. Notice 27A of the London Custom House, issued in March, 1935, prescribes appropriate forms as follows: D, 119 (Sale), for growth or produce; E, 120 (Sale), for manufactured goods; F, 121 (Sale), for manufactured tobaccos and sugars; FF, 122 (Sale), a supporting certificate for ingredients.

### PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

#### From Halifax

*To Liverpool.*—Montcalm, Jan. 2; Duchess of Atholl, Jan. 9; Duchess of Bedford, Jan. 16; Montclare, Jan. 23; Duchess of York, Jan. 30—all Canadian Pacific; Manchester Exporter, Jan. 2; Manchester Hero, Jan. 28—both Manchester Line; Alaunia, Jan. 5; Lancastria, Feb. 8—both Cunard-White Star Line; Nova Scotia, Jan. 26; Incemore, Feb. 17—both Furness Line.

*To London.*—Beaverbrae, Jan. 1; Beaverhill, Jan. 8; Beaverville, Jan. 15; Beaverburn, Jan. 23—all Canadian Pacific; Antonia, Jan. 3; Andania, Jan. 17; Ausonia, Jan. 24; Ascania, Jan. 31—all Cunard-White Star Line; Artigas (calls at Dundee), American Hampton Roads, Jan. 7.

*To Manchester.*—Manchester Citizen, Jan. 2; Manchester Exporter, Jan. 2; Manchester Regiment, Jan. 9; Manchester Commerce, Jan. 16; Manchester Port, Jan. 23; Manchester Hero, Jan. 28; Manchester Brigade, Jan. 30—all Manchester Line.

*To Cardiff, Bristol and Swansea.*—Boston City, Jan. 2; New York City, Jan. 16; Gloucester City, Jan. 30—all Bristol City Line.

*To Aberdeen, Newcastle and Hull.*—Kelso, Dec. 28; Gitano, Jan. 19—both Ellerman's Wilson Line.

*To Avonmouth, Cardiff and Swansea.*—Dakotian, Jan. 2; Norwegian, Jan. 23; Airthria, Feb. 6—all Cunard-Donaldson and Dominion Lines.

*To Glasgow.*—Dakotian, Jan. 2; Sulainia, Jan. 23; Airthria, Feb. 6—all Donaldson-Atlantic Line.

*To Newcastle and Leith.*—Cairnglen, Dec. 31; Cairnross (calls at Dundee), Jan. 14; Cairnesk, Jan. 28—all Cairn-Thomson Line; Artigas (calls at Hull but not at Newcastle), American Hampton Roads, Jan. 7.

*To Antwerp.*—Beaverhill, Jan. 8; Beaverburn, Jan. 22—both Canadian Pacific.

*To Hamburg.*—Artigas, American Hampton Roads, Jan. 7; Beaverville, Canadian Pacific, Jan. 14.

*To Copenhagen, Gothenburg and Baltic Ports.*—Svaneholm, Jan. 9; Drottningholm (does not call at Copenhagen), Jan. 22; Lagaholm, Feb. 6—all Swedish-America Line; Batory calls at Gdynia but not at Copenhagen), Gdynia-America Line, Jan. 17.

*To St. John's, Nfld., and St. Pierre-Miquelon.*—Belle Isle, Newfoundland-Canada SS. Ltd., Dec. 28 and Jan. 11; Delia, Shaw SS. Co. Ltd., Dec. 28 and Jan. 11; Fort Amherst, Furness-Red Cross Line, Jan. 4 and 18; Portia, Jan. 6; Northern Ranger, Jan. 20—both Newfoundland Ry. and SS. Co. (do not call at St. Pierre); Nova Scotia, Furness Line, Jan. 26.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad, and Demerara.*—Lady Hawkins, Dec. 31; Lady Drake, Jan. 14; Lady Nelson, Jan. 28—all Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion SS. Corp., Jan. 5 and 23.

*To Puerto Rico, Barbados, Trinidad and Demerara.*—Colborne (calls at St. Georges, Bermuda), Jan. 23; Chomedy, Feb. 6—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

*To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Cavelier (does not call at Hamilton or Nassau), Dec. 31; Lady Somers, Jan. 7; Cathart (does not call at Hamilton or Nassau), Jan. 14; Lady Rodney, Jan. 21—all Canadian National.

*To Santiago (Cuba) and Kingston (Jamaica).*—Kirsten B, Dec. 30; Ciss (calls at Haiti), Jan. 13—both Pickford & Black SS. Line.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Silverteak, Jan. 2; Cingalese Prince, Jan. 16 Silversandal, Jan. 30; Chinese Prince, Feb. 13—all Silver-Prince Line.

*To Brisbane, Sydney, Melbourne and Adelaide.*—Armada, Dec. 28; Ardenvoehr, Jan. 29; Port Caroline, Feb. 28—all Montreal-Australia-New Zealand Line.

*To Auckland, Wellington, Lyttelton and Dunedin.*—City of Glasgow, Jan. 21; Canadian Cruiser, Feb. 21—both Montreal-Australia-New Zealand Line.

### From Saint John

*To Liverpool.*—Montcalm, Jan. 1; Duchess of Atholl, Jan. 8; Duchess of Bedford, Jan. 15; Montclare, Jan. 22; Duchess of York, Jan. 29—all Canadian Pacific.

*To London.*—Beaverbrae, Dec. 31; Beaverhill, Jan. 7; Beaverdale, Jan. 14; Beaverburn, Jan. 21—all Canadian Pacific.

*To London, Antwerp and Rotterdam.*—Ravnefjell, Jan. 6; Haukefjell, Feb. 1—both J. Brock Shipping Co.

*To Manchester.*—Manchester Citizen, Dec. 31; Manchester Regiment, Jan. 7; Manchester Commerce, Jan. 14; Manchester Port, Jan. 21; Manchester Brigade, Jan. 28—all Manchester Line.

*To Avonmouth, Cardiff and Swansea.*—Dakotian, Dec. 31; Norwegian, Jan. 23; Airthria, Feb. 4—all Cunard-Donaldson and Dominion Lines.

*To Newcastle and Leith.*—Cairnglen, Dec. 29; Cairnross (calls at Dundee), Jan. 12; Cairnesk, Jan. 28—all Cairn-Thomson Line.

*To Glasgow.*—Dakotian, Dec. 31; Sulaira, Jan. 7; Norwegian, Jan. 21—all Donaldson-Atlantic Line.

*To Dublin and Belfast.*—Melmore Head (cargo accepted for Cork), Head Line, Jan. 15.

*To Rotterdam, Antwerp and Havre.*—Beaverhill, Jan. 7; Beaverburn, Jan. 21—both Canadian Pacific (do not call at Rotterdam or Havre); Brant County, Jan. 16; Kings County, Feb. 5—both County Line.

*To Hamburg.*—Beaverdale, Jan. 14; Beaverhill, Feb. 11—both Canadian Pacific.

*To Barcelona, Marseilles, Genoa, Naples, Messina, Palermo, Valencia and Seville.*—Capo Leno, Capo Line, Feb. 6.

*To Montevideo and Buenos Aires.*—Flint II (calls at Santos but not at Montevideo), International Freighting Line, Jan. 5; Tacoma, Gardieze Line, Jan. 20.

*To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Drake, Jan. 6; Lady Nelson, Jan. 20; Lady Hawkins, Feb. 3—all Canadian National.

*To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—A steamer, Ocean Dominion SS. Corp., Dec. 31 and Jan. 26.

*To Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, Rangoon and Calcutta.*—City of Khios, Dec. 30; City of Eastbourne, Jan. 15; City of Worcester, Feb. 3—all Ellerman & Bucknall SS. Co.

*To Cape Town, Port Elizabeth, East London and Durban.*—Mattawin (calls at Freetown, Walvis Bay, Lourenco Marques and Beira), Dec. 30; Cochrane, Jan. 25—both Elder Dempster Lines Ltd.

### From Vancouver

*To Yokohama, Kobe and Osaka.*—Hikawa Maru, Jan. 13; Hiye Maru, Jan. 23; Heian Maru, Feb. 20—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.*—Empress of Japan (calls Honolulu), Jan. 9; Empress of Asia (calls Nagasaki), Jan. 19; Empress of Canada (calls Honolulu), Feb. 20; Empress of Russia (calls Nagasaki), March 6—all Canadian Pacific; Ixion, Jan. 30; Talithybius, Feb. 27—both Blue Funnel Line (call at Miike but not at Manila).

*To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.*—Hopecrest, Dec. 31; Kota Agoeng, Jan. 31—both Silver-Java Pacific Line.

*To Honolulu, Suva, Auckland and Sydney.*—Aorangi, Dec. 30; Niagara, Feb. 17—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.*—Golden West (calls at Lyttelton and Dunedin if sufficient cargo offered), Oceanic and Oriental Navigation Co., Jan. 16.

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.*—Hauraki (calls at Papeete), Dec. 30; Wairuna, Jan. 19—both Canadian-Australasian Line.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.*—Sydic, Jan. 14; Nordic, Feb. 15—both Empire Shipping Co.

*To Sydney, Melbourne and Adelaide.*—Anglo Peruvian, December-January; Loch Lomond, January—both Australian Freight Line.

*To London, Liverpool and Rotterdam.*—Delftdyk, Jan. 9; Lochkatrine, Jan. 23; Lochmonar (calls at Glasgow), Feb. 6; Dinteldyk, Feb. 20—all Holland-America Line.

*To London, Liverpool and Cardiff.*—A steamer, Reardon Smith Line, January.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.*—A steamer, Empire Shipping Co., January.

*To Scandinavian Ports.*—A steamer, Johnson Line, January.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.*—Fella, Empire Shipping Co., Dec. 31.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).*—A steamer, Canadian Transport Co., December.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.*—A steamer, Silver-Java Pacific Line, January.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.*—A steamer, Dec. 28; Hardanger, Jan. 28; Brandanger, Feb. 25—all Empire Shipping Co.

### From New Westminster

*To United Kingdom Ports.*—Knut Nelson, Anglo-Canadian Shipping Co., Jan. 12.

*To London, Liverpool and Glasgow.*—Lochgoil (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., Dec. 28; Tudor Star, Jan. 10; Gothic Star, Feb. 1—both American Mail Line Ltd. (call at Newcastle and Rotterdam).

*To Havre, Rotterdam, Liverpool and Glasgow.*—California Express, B. W. Greer & Son Ltd., Dec. 28.

*To Australian Ports.*—Waiotapu, Canadian-Australasian Line, Jan. 10.

*To South African Ports.*—Mapia, Dingwall Cotts Co., Jan. 5.

*To Manila and Iloilo.*—Kota Agoeng, Jan. 25; Bintang, Feb. 25—both Dingwall Cotts & Co.

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**Note.**—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

# COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

## CANADIAN GOVERNMENT TRADE COMMISSIONERS

### Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

### Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

*Commercial Agent:* B. MILLIN, The Royal Exchange, Sydney, N.S.W.

### Belgium

YVES LAMONTAGNE, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

### Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

### British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Netherlands India.) *Cable address, Canadian.*

### British West Indies

*Trinidad:* M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

*Jamaica:* F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

### China

*Shanghai:* H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. (Territory covers Central China and North China.) *Cable address, Canadian.*

### Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

### Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

### France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

### Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

### Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

### India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

### Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

### Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

# CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

## Japan

*Tokyo:* J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

*Kobe:* ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

## Mexico

ACTING TRADE COMMISSIONER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

## Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

## New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

## Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

## Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

## Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martín, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

## South Africa

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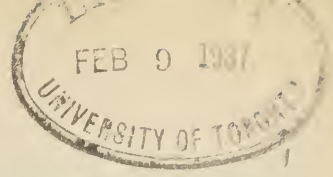
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**Note.**—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



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